

THIS PROSPECTUS HAS NOT BEEN REGISTERED WITH THE SECURITIES COMMISSION MALAYSIA ("SC"). THE INFORMATION IN THIS PROSPECTUS MAY BE SUBJECT TO FURTHER AMENDMENTS BEFORE BEING REGISTERED BY THE SC. UNDER NO CIRCUMSTANCES SHALL THIS PROSPECTUS CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES. INFORMATION CONTAINED IN THIS DOCUMENT HAS BEEN SET OUT BASED ON THE ASSUMPTION THAT ALL RELEVANT APPROVALS HAVE BEEN OBTAINED AND THAT MATTERS TO BE COMPLETED / IMPLEMENTED POST APPROVALS HAVE BEEN DULY COMPLETED / IMPLEMENTED.



UNIQUE FIRE HOLDINGS BERHAD

(Registration No. 202101013602 (1413901-D))
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING ("IPO") IN CONJUNCTION WITH THE LISTING OF UNIQUE FIRE HOLDINGS BERHAD ("UNIQUE FIRE" OR "COMPANY") ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:

(I) PUBLIC ISSUE OF 83,750,000 NEW ORDINARY SHARES IN UNIQUE FIRE ("UNIQUE FIRE SHARES" OR "SHARES") IN THE FOLLOWING MANNER:

- 20,000,000 NEW UNIQUE FIRE SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 8,000,000 NEW UNIQUE FIRE SHARES MADE AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;
- 5,750,000 NEW UNIQUE FIRE SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS; AND
- 50,000,000 NEW UNIQUE FIRE SHARES MADE AVAILABLE BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

AND

(II) OFFER FOR SALE OF 30,000,000 EXISTING UNIQUE FIRE SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS;

AT AN IPO PRICE OF RM[•] PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Sole Underwriter and Placement Agent



ALLIANCE INVESTMENT BANK

Alliance Investment Bank Berhad 197401004393 (21605-D)
A Participating Organisation of Bursa Malaysia Securities Berhad

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX (6) MONTHS FROM THE DATE OF THIS PROSPECTUS.

[THIS PROSPECTUS HAS BEEN REGISTERED BY THE SECURITIES COMMISSION MALAYSIA ("SC"). THE REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS.] THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 213.

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 A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SC UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

This Prospectus is dated [•]

RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Offeror (as defined in this Prospectus) 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 the Prospectus false or misleading.

Alliance Investment Bank Berhad ("**AIBB**"), being the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, 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 the offering.

STATEMENTS OF DISCLAIMER

[Approval has been granted by Bursa Securities for the listing of and quotation for the securities being offered. Admission to the Official List of ACE Market of Bursa Securities is not to be taken as an indication of the merits of the offering, corporation or its shares.]

Bursa Securities is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

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

OTHER STATEMENTS

You should note that you may seek recourse under Sections 248, 249 and 357 of the *Capital Markets and Services Act 2007* ("**CMSA**") 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 this Prospectus or the conduct of any other person in relation to our Company.

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

[Our Shares are classified as Shariah compliant by the Shariah Advisory Council of the SC. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the Shariah Advisory Council of the SC. The new status is released in the updated list of Shariah-compliant securities, on the last Friday of May and November.]

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 with 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.

This Prospectus is prepared and published solely for our IPO in Malaysia under the laws of Malaysia. Our Shares being offered in our IPO are issued in Malaysia solely based on the contents of this Prospectus. Our Directors, Promoters, Offeror, Principal Adviser, Sponsor, Sole Underwriter and Placement Agent take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. Our Directors, Promoters, Offeror, Principal Adviser, Sponsor, Sole Underwriter and Placement Agent have not authorised anyone to provide you with information which is not contained in this Prospectus.

It shall be your sole responsibility, if you are or may be subject to the laws of any countries or jurisdictions other than Malaysia, to consult your professional advisers as to whether your application for our IPO would result in the contravention of any laws of such countries or jurisdictions. Neither we 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 such country or jurisdiction.

Further, it shall be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you had accepted our IPO in Malaysia and will be subject only to the laws of Malaysia in connection therewith.

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

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus (as defined in this Prospectus) are as per the contents of this Prospectus registered by the SC.

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

If you are in doubt as to the validity or integrity of the Electronic Prospectus, you should immediately request from us, our Principal Adviser or the issuing house, a paper / printed copy of this Prospectus.

In the event of any discrepancies arising between the contents of the Electronic Prospectus 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 is identical to this Prospectus registered by the SC, shall prevail.

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

- (i) we and our 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;
- (ii) 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, damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and
- (iii) any data, information, files or other material downloaded from the Third Party Internet Sites is 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, you are advised that:

- (i) the Internet Participating Financial Institutions are 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 which may be viewed via your web browser or other relevant software.

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

- (ii) 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 shall not be liable (whether in tort or contract or otherwise) for any loss, damage or cost, 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, 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

The following events are intended to take place on the following tentative dates:

Event(s)	Tentative Date(s)
Issuance of Prospectus / Opening of the application period for our IPO	【●】
Closing of the application period for our IPO	【●】
Balloting of applications	【●】
Allotment of Issue Shares / Transfer of Offer Shares to successful applicants	【●】
Listing on the ACE Market of Bursa Securities	【●】

In the event there is any change to the indicative timetable above, we will advertise the notice of the changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

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PRESENTATION OF INFORMATION

All references to “our Company” or “Unique Fire” in this Prospectus are to Unique Fire Holdings Berhad, while references to “our Group” are to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “Management” are to our Executive Directors and our key senior management personnel as disclosed in this Prospectus and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Certain abbreviations, acronyms and technical terms used are defined in the “Definitions” and “Glossary of Technical Terms” sections of this Prospectus. Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include companies and corporations.

In this Prospectus, references to the “Government” are to the Government of Malaysia; and references to “RM” and “sen” are to the lawful currency of Malaysia. 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 hundredth or two (2) decimal places. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

Unless otherwise stated, any reference to dates and times in this Prospectus shall be a reference to dates and times in Malaysia.

Any reference to any enactment in this Prospectus shall be a reference to that enactment as for the time being or 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 or is exposed to. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from our Management.

In particular, certain information in this Prospectus is extracted or derived from the Industry Overview prepared by Vital Factor (as defined in this Prospectus), the independent business and market research consultants. We have appointed Vital Factor to provide an independent market and industry review. In compiling their data for the review, Vital Factor had relied on research methodology, industry sources, published materials, their own private databases and direct contacts within the industry. We believe that the information on the industry and 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 and indirectly linked to such website does not form part of this Prospectus and should not be relied upon.

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FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements, which include all statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Management for future operations. Some of these statements can be identified by words that have a bias towards or are forward-looking such as “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “estimate”, “aim”, “plan”, “forecast”, “project” or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our Group’s control that could cause our actual results, performances or achievements to be materially different from future results, performances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, statements relating to:

- (i) demand of our products and services;
- (ii) our business strategies;
- (iii) our plans and objectives for future operations;
- (iv) our future financial position, earnings, cash flows and liquidity; and
- (v) our ability to pay dividends.

Such forward-looking statements are based on numerous assumptions regarding our Group’s present and future business strategies and the environment in which we operate. Additional factors that could cause our actual results, performances or achievements to differ materially include, but are not limited to those discussed in Section 8 – Risk Factors and Section 11.3 – Management’s Discussion and Analysis of Financial Conditions and Results of Operations of this Prospectus. We cannot assure you that the forward-looking statements in this Prospectus will be realised.

These forward-looking statements are based on information available to us as at the LPD (as defined in this Prospectus) and are made available only as at the LPD. Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of the Issue Shares / transfer of the Offer Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provision of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

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DEFINITIONS

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

COMPANIES WITHIN OUR GROUP

Unique Fire or Company	:	Unique Fire Holdings Berhad (Registration No. 202101013602 (1413901-D))
UFI	:	Unique Fire Industry Sdn Bhd (Registration No. 199701003235 (418731-U))
UDI	:	Unique Digital Innovation Sdn Bhd (Registration No. 201801000171 (1262183-U))
Unique Fire Group or Group	:	Unique Fire, UFI and UDI, collectively

GENERAL

ACE Market	:	ACE Market of Bursa Securities
Acquisition of UDI	:	Acquisition by Unique Fire of the entire issued share capital of UDI of RM450,000 comprising 450,000 ordinary shares from the shareholders of UDI, namely Liew Sen Hoi, Marcus Liew, Ryan Liew, Roy Liew and Ray Liew for a total purchase consideration of RM70,080, which was entirely satisfied by the issuance of 438,000 new Shares at an issue price of RM0.16 per Share, which was completed on [●]
Acquisition of UFI	:	Acquisition by Unique Fire of the entire issued share capital of UFI of RM9,004,500 comprising 9,004,500 ordinary shares from the shareholders of UFI, namely Liew Sen Hoi, Lim Show Ching, Marcus Liew, Ryan Liew, Roy Liew and Ray Liew for a total purchase consideration of RM50,529,280, which was entirely satisfied by the issuance of 315,808,000 new Shares at an issue price of RM0.16 per Share, which was completed on [●]
Acquisition of UFI and UDI	:	Acquisition of UFI and Acquisition of UDI, collectively
Act	:	Companies Act 2016
ADA	:	Authorised Depository Agent
AGM	:	Annual General Meeting
AIBB	:	Alliance Investment Bank Berhad (Registration No. 197401004393 (21605-D))
Application Form(s)	:	The printed application form for the application of the Issue Shares
Application(s)	:	The application for the Issue Shares by way of Application Form, Electronic Share Application and/or Internet Share Application
ATM	:	Automated Teller Machine
Board	:	The Board of Directors of Unique Fire

DEFINITIONS (Cont'd)

Bomba or Jabatan Bomba	:	Fire and Rescue Department of Malaysia
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CAGR	:	Compound annual growth rate
CCC	:	Certificate of Completion and Compliance
CDS	:	Central Depository System
CDS Account	:	Account established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
CF	:	Certificate of fitness for occupation
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	The constitution of the Company
COVID-19	:	An infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
Depositor	:	A holder of a CDS Account
Director(s)	:	Director(s) of our Company and within the meaning given in Section 2 of the CMSA
DOSH	:	Department of Occupational Safety and Health Malaysia
EBITDA	:	Earnings before interest, taxes, depreciation and amortisation
EIS	:	Employment Insurance System
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory)
Electronic Share Application	:	An application for the Issue Shares through Participating Financial Institutions' ATM
Eligible Person(s)	:	Eligible Directors, employees and persons who have contributed to the success of our Group, as further detailed in Section 4.1.1(b)(ii) of this Prospectus
EMCO	:	Enhanced MCO
EPF	:	Employees Provident Fund
EPS	:	Earnings per share
ERP	:	Enterprise resource planning
Executive Director(s)	:	Non-independent executive director(s) of Unique Fire

DEFINITIONS (Cont'd)

Financial Years Under Review	:	FYE 2019, FYE 2020 and FYE 2021, collectively
FM Approvals	:	FM Approvals LLC., a third party global certification agency with headquarters in Rhode Island, United States that offers certification services to manufacturers of fire protection equipment, electrical equipment and building materials. FM Approvals was formerly known as Factory Mutual Laboratories which changed its name to FM Approval in 1999
FPE	:	Financial period ended/ending
FPS	:	Fire protection systems
FYE	:	Financial year ended/ending 31 March
Government	:	Government of Malaysia
GP	:	Gross profit
GST	:	Goods and Services Tax
IMR or Vital Factor	:	Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T)), the independent business and market research consultants
Industry Overview	:	Industry overview prepared by Vital Factor as set out in Section 7 of this Prospectus
Internet Participating Financial Institution	:	Participating financial institution for the Internet Share Application, as listed in Section 14 of this Prospectus
Internet Share Application	:	Application for the Issue Shares through an online share application service provided by the Internet Participating Financial Institution
IPO	:	Initial public offering of the IPO Shares in conjunction with the Listing, comprising the Public Issue and Offer for Sale
IPO Price	:	The price of RM[●] per IPO Share
IPO Share(s)	:	The Issue Share(s) and Offer Share(s), collectively
IRB	:	Inland Revenue Board
Issue Share(s)	:	83,750,000 new Shares, representing approximately 20.94% of our enlarged issued share capital, which are to be issued pursuant to the Public Issue and subject to the terms and conditions of this Prospectus
Issuing House or Tricor	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
IT	:	Information technology
kg	:	Kilogram
Kidde brands	:	Reference to Kidde brands in this Prospectus includes Range Guard brand of wet chemical fire suppression system, Advanced Delivery System (ADS) and Engineered Central Storage System (ECS) brands for both HFC and FK5112 fire suppression systems

DEFINITIONS (Cont'd)

L	:	Litre
Listing	:	The admission of Unique Fire to the Official List and the listing of and quotation for our entire enlarged issued share capital on the ACE Market
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities, as may be amended from time to time
Listing Scheme	:	Comprising the Acquisition of UFI and UDI, Public Issue, Offer for Sale, Share Transfer to UFG and Listing, collectively
LPD	:	15 October 2021, being the latest practicable date prior to the issuance of this Prospectus
M&E	:	Mechanical and electrical
Malaysian Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Marcus Liew	:	Liew Kang Leong, our Promoter, substantial shareholder and Executive Director
Market Day(s)	:	Any day on which Bursa Securities is open for trading of securities
MCO	:	The nationwide movement control order imposed by the Government of Malaysia under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of COVID-19 pandemic
MFRS	:	Malaysian Financial Reporting Standards
MITI	:	Ministry of International Trade and Industry of Malaysia
N/A	:	Not applicable
NA	:	Net assets
Offer for Sale	:	Offer for sale of the Offer Shares at the IPO Price by the Offeror by way of private placement to selected investors
Offer Share(s)	:	30,000,000 existing Shares, representing approximately 7.50% of our enlarged issued share capital, which are to be offered pursuant to the Offer for Sale and subject to the terms and conditions of this Prospectus
Offeror	:	Liew Sen Hoi, our Promoter, substantial shareholder and Managing Director
Official List	:	Official list of the ACE Market
Operational Facility in Shah Alam, Selangor	:	The operational facility of the Group located at 9, Jalan Anggerik Mokara 31/55, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor
Participating Financial Institution	:	Participating financial institution for the Electronic Share Application, as listed in Section 14 of this Prospectus
PAT	:	Profit after taxation

DEFINITIONS (Cont'd)

PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
Pink Form Allocation	:	The allocation of 8,000,000 Issue Shares, representing 2.00% of our enlarged issued share capital, to the Eligible Persons
Placement Agent	:	AIBB
PPE	:	Property, plant and equipment
Prescribed Security(ies)	:	Securities of a company that are prescribed by Bursa Securities to be deposited in the CDS subject to the provision of the SICDA and the Rules
Principal Adviser	:	AIBB
Promoter(s)	:	UFG, Liew Sen Hoi, Lim Show Ching, Marcus Liew, Ryan Liew, Roy Liew and Ray Liew
Prospectus	:	This Prospectus dated [●] in relation to the IPO
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC on 28 December 2012 (revised on 23 December 2020)
Public Issue	:	Public issue of 83,750,000 new Shares at the IPO Price comprising: <ul style="list-style-type: none"> (a) 20,000,000 new Shares made available for application by the Malaysian Public; (b) 8,000,000 new Shares made available for application by the Eligible Persons; (c) 5,750,000 new Shares made available by way of private placement to selected investors; and (d) 50,000,000 new Shares made available by way of private placement to Bumiputera investors approved by MITI
QC	:	Quality control
QR code	:	Quick response code
Ray Liew	:	Liew Kang Boon, our Promoter, substantial shareholder and key senior management
ROC	:	Registrar of Companies
Roy Liew	:	Liew Kang Chin, our Promoter, substantial shareholder and key senior management
Rules	:	Rules of Bursa Depository, as may be amended from time to time
Ryan Liew	:	Liew Kang Yee, our Promoter, substantial shareholder and Executive Director
SAC	:	Shariah Advisory Council of the SC

DEFINITIONS (Cont'd)

SC	:	Securities Commission Malaysia
SGP	:	Sijil Guna Pakai or Certificate of Product Acceptance issued by TNB
Share Transfer to UFG	:	Transfer by the Promoters (save for UFG) of an aggregate of 252,000,000 Shares (representing 63.00% equity interests in Unique Fire) to UFG, an investment holding company held by the Promoters (save for UFG), during the prescription period
Share(s) or Unique Fire Share(s)	:	Ordinary shares in Unique Fire
SICDA	:	Securities Industry (Central Depositories) Act, 1991
SIRIM	:	SIRIM Berhad, an agency under the purview of MITI and provides independent safety certifications
SOCISO or PERKESO	:	Social Security Organisation, also known as Pertubuhan Keselamatan Sosial
Sole Underwriter	:	AIBB
Sponsor	:	AIBB
sq. ft or ft²	:	Square feet
sq. m or m²	:	Square metres
SST	:	Sales and Services Tax
TNB	:	Tenaga Nasional Berhad (Registration No. 199001009294 (200866-W))
UFG	:	Unique Fire Group Sdn Bhd (Registration No. 202101027251 (1427551-W))
United Kingdom or UK	:	United Kingdom of Great Britain and Northern Ireland
UL	:	UL LLC, a global independent safety certification company approved to perform equipment safety testing with headquarters in the United States. UL LLC is a subsidiary of Underwriters Laboratories Inc
Underwriting Agreement	:	The underwriting agreement dated [●] entered into between our Company and AIBB pursuant to our IPO
United States or USA	:	United States of America

CURRENCY

RM and sen	:	Ringgit Malaysia and sen, respectively
SGD	:	Singapore Dollar
USD	:	United States Dollar

GLOSSARY OF TECHNICAL TERMS

Technical terms used in this Prospectus shall have the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

Active fire protection	:	Systems or equipment designed to take action, either automatically or manually, to extinguish or suppress fire
Assembly	:	<p>In the context of this Prospectus, the process of assembly involves integrating multiple parts and components and where relevant, filling cylinders with extinguishing agents and propellant to form the finished product</p> <p>We are involved in the assembly of the following products under our brands and third party brands:</p> <ul style="list-style-type: none"> - fire suppression systems using CO₂ and HFC extinguishing agents; - fire protection equipment namely fire extinguisher using CO₂ and foam (hand portable and trolley mounted) and dry chemical (trolley mounted) as extinguishing agents, fire hose reels and fire hoses.
British Standards (BS)	:	The standards produced by the British Standard Institution (BSI) Group, a certification body, which is designated as the national standards body for the United Kingdom
CO₂ or carbon dioxide	:	In the context of this Prospectus, it is a fire extinguishing agent used to extinguish or suppress fire by displacing oxygen that supports combustion
Direct distribution channel	:	In the context of this Prospectus, it refers to when we sell our products to end-users and vehicle manufacturers.
Distribution	:	<p>Refers to the supply of products without any modifications or alterations.</p> <p>In the context of this Prospectus, we distribute the following products under our brands and third party brands:</p> <ul style="list-style-type: none"> - fire suppression systems such as sprinkler systems, wet and dry riser systems and hydrants, and wet chemical fire suppression systems; - fire protection equipment namely fire hoses; and - fire protection accessories such as fire alarm and detection devices, batteries, cabinets and fire blankets
Dry chemical	:	In the context of this Prospectus, it is a fire extinguishing agent in powder form that is used to extinguish or suppress fire by preventing oxygen from reaching the fire
eFEIS	:	Electronic Fire Extinguisher Identification System, the system established by Jabatan Bomba to govern the usage and maintenance of fire extinguishers in Malaysia
Extinguishing agent(s)	:	The component of a fire protection system or equipment that extinguishes or suppresses fire. In the context of this Prospectus, the extinguishing agents contained in cylinders are dry chemical, CO ₂ , HFC-227ea, foam and wet chemicals
Fire	:	Within the context of this Prospectus, fire refers to undesirable and destructive burning in built environments (such as buildings, structures and infrastructure) that can cause loss of life, injury and/or property and asset damage

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Fire alarm	:	A device that is designed to alert people that a fire may be present and evacuation may be necessary. The alarm may be in the form of bells, sounders, flashing lights, beacons or a combination of these
Fire detector	:	A device that is designed to detect the presence of fire, heat and/or smoke and consequently activate other systems and devices, such as fire suppression systems and fire alarms
Fire extinguisher	:	A portable manually operated equipment that can be carried or wheeled to the site of a fire, where it is used to discharge extinguishing agents to extinguish or suppress fire. Examples include CO ₂ , dry chemical and foam fire extinguishers
Fire hose reel	:	A circular reel drum that is designed to carry and manage high pressure fire hose, keeping it ready for use in a fire, and to reel it in for storage. The fire hose reel is permanently attached to a source of water connected to a wet or dry riser system
Fire hoses	:	Consists of fire hoses, couplings (to join two (2) or more hoses together to extend their length) and nozzle to direct the flow of water. They are designed to be connected to a landing valve of a wet or dry riser system or hydrant, which supplies the water. They are designed to be used by firefighters
Fire suppression systems	:	In the context of this Prospectus, they are systems that are designed to automatically detect fire and discharge their fire extinguishing agent to extinguish or suppress fire. Examples include CO ₂ , HFC and wet chemical fire suppression systems, sprinkler systems, as well as dry and wet riser systems
FK5112 or fluorinated ketone	:	FK5112 is a fluorinated ketone considered to be an environmentally friendly fire suppression extinguishing agent as it does not deplete ozone. FK5112 is stored as a liquid and discharged as a gas. FK5112 is a clean agent that does not leave behind residue, and does not conduct electricity. It is suitable for use in rooms that contain telecommunications or electrical equipment, and high value or important items such as those stored in libraries, archives and museums
FM Approvals certification	:	FM Approvals certification, which certifies that a product or system has been independently tested and found to comply with the applicable requirements stated in the relevant FM Approvals standards. The certification is administered by FM Approvals. FM Approvals was formerly known as Factory Mutual Laboratories which changed its name to FM Approval in 1999
Foam	:	In the context of this Prospectus, it is an extinguishing agent that consists of foam concentrate mixed with water. When it is discharged, it forms a foam that blankets the fire to prevent oxygen from reaching the fuel, which extinguishes or suppresses the fire
HFC or hydrofluorocarbon	:	In the context of this Prospectus, HFC refers to HFC-227ea which is stored as a liquid and discharged as a gas. HFC is a clean agent that does not leave behind residue, and does not conduct electricity. It is suitable for use in rooms that contain telecommunications or electrical equipment, and high value or important items such as those stored in libraries, archives and museums

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Indirect channel	distribution	:	In the context of this Prospectus, it refers to where our customers are intermediaries that purchase our fire protection systems, equipment and accessories for installation or maintenance of their customers' properties and assets, as well as retailers and wholesalers who resell our products to their customers.
Manufacturing		:	In the context of this Prospectus, it is a process involving the transformation of input materials into finished products. We carry out the manufacturing of hand portable dry chemical fire extinguishers under our brand
Malaysian Standards (MS)		:	The standards produced by the Department of Standards Malaysia, the national standards and accreditation body of Malaysia
Sprinkler system		:	A type of active fire suppression system that consists of a fixed water pipe network installed throughout a building with sprinkler heads attached at specific locations. Sprinklers are designed to activate when a predetermined heat level is reached, spraying the area around the sprinkler with water
Wet and dry riser system		:	An active fire protection system that consists of a fixed network of water pipes and other components that is designed to supply water throughout the building to support firefighting operations. In a wet riser system, the pipework is constantly filled with water from a pressurised supply, whereas in a dry riser system, the pipework does not contain water when not in use
Wet chemical		:	In the context of this Prospectus, it is a fire extinguishing agent composed of a mixture of water and materials (such as potassium carbonate and inorganic salts) that form a soapy layer that blankets burning oil, thereby preventing oxygen from reaching the fire
UL certification		:	UL certification attests that a product, system or equipment has been independently tested and found to comply with the relevant UL standards. UL certification is administered by UL LLC, which is a subsidiary of Underwriters Laboratories Inc

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name / (Designation)	Address	Nationality
Selma Enolil Binti Mustapha Khalil (Independent Non-Executive Chairperson)	No. 32, Jalan Putra Bistari 2/1S Putra Heights 47650 Subang Jaya Selangor	Malaysian
Liew Sen Hoi (Managing Director)	No. 108, Jalan Awan Kecil Taman Overseas Union 58200 Kuala Lumpur	Malaysian
Liew Kang Leong (Marcus) (Executive Director)	No. 19, Jalan Jalil Perkasa Baru Taman Esplanad Bukit Jalil 57000 Kuala Lumpur	Malaysian
Liew Kang Yee (Ryan) (Executive Director)	No. 16, Jalan Jalil Perkasa Baru Taman Esplanad Bukit Jalil 57000 Kuala Lumpur	Malaysian
Ir. Tee Kiam Hong (Independent Non-Executive Director)	No. 1, Jalan SS23/39 Taman Sea 47400 Petaling Jaya Selangor	Malaysian
Olivia Lim (Independent Non-Executive Director)	No. 6, Jalan BU12/8 Bandar Utama 12 47800 Petaling Jaya Selangor	Malaysian
Andrea Huong Jia Mei (Independent Non-Executive Director)	No. 546, Jalan 7 Taman Ampang Utama 68000 Ampang Selangor	Malaysian

1. CORPORATE DIRECTORY (Cont'd)

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Andrea Huang Jia Mei	Chairperson	Independent Non-Executive Director
Ir. Tee Kiam Hong	Member	Independent Non-Executive Director
Olivia Lim	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Olivia Lim	Chairperson	Independent Non-Executive Director
Ir. Tee Kiam Hong	Member	Independent Non-Executive Director
Andrea Huang Jia Mei	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Ir. Tee Kiam Hong	Chairman	Independent Non-Executive Director
Olivia Lim	Member	Independent Non-Executive Director
Andrea Huang Jia Mei	Member	Independent Non-Executive Director

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1. CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARIES** : Yeow Sze Min
Unit A-10-02, Block A, Five Stones
No. 30, Jalan SS 2/72
47300 Petaling Jaya
Selangor
- Telephone No. : (03) 2084 9000
Professional : Malaysian Institute of Chartered Secretaries
Qualification : and Administrators (“**MAICSA**”)
(MAICSA Membership No. MAICSA 7065735
PRACTITIONER)
(SSM PC No. 201908003120)
- Lim Lih Chau
Block A-4-5, Prima Setapak Condominium
Jalan Prima Setapak, Off Jalan Genting Klang
53300 Kuala Lumpur
- Telephone No. : (03) 2084 9000
Professional : Licensed Secretary
Qualification : (Licence No. LS0010105)
(SSM PC No. 201908001454)
- REGISTERED OFFICE** : Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
- Telephone No. : (03) 2084 9000
Facsimile No. : (03) 2094 9940 / (03) 2095 0292
Website : <http://www.securities-services.com.my/>
Email : info@sshbs.com.my
- HEAD OFFICE** : No. 9, Jalan Anggerik Mokara 31/55
Kota Kemuning, Seksyen 31
40460 Shah Alam
Selangor
- Telephone No. : (03) 5131 1226
Facsimile No. : (03) 5131 3109
Website : <https://www.uniquefire.com>
Email : info@uniquefire.com

2. CORPORATE DIRECTORY (Cont'd)

EXTERNAL AUDITORS AND REPORTING ACCOUNTANTS	:	<p>Crowe Malaysia PLT (201906000005 (LLP0018817-LCA) & AF 1018) 52, Jalan Kota Laksamana 2/15 Taman Kota Laksamana Seksyen 2 75200 Melaka</p> <p>Telephone No. : (06) 2825 995 Partner-in-charge : Piong Yew Peng Approval No. : 03070/06/2023J Professional : Fellow of CPA Australia Qualification : (Membership No. 1860571); and Member of Malaysian Institute of Accountants (Membership No. 11430)</p>
SOLICITORS FOR THE LISTING	:	<p>Chooi & Company + Cheang & Ariff CCA @ Bangsar Level 5, Menara BRDB 285, Jalan Maarof Bukit Bandaraya 59000 Kuala Lumpur</p> <p>Telephone No. : (03) 2055 3888</p>
PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND PLACEMENT AGENT	:	<p>Alliance Investment Bank Berhad (Registration No. 197401004393 (21605-D)) Level 3, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur</p> <p>Telephone No. : (03) 2604 3333</p>
SHARE REGISTRAR	:	<p>Securities Services (Holdings) Sdn Bhd (Registration No. 197701005827 (36869-T)) Level 7, Menara Milenium Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur</p> <p>Telephone No. : (03) 2084 9000</p>
ISSUING HOUSE	:	<p>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</p> <p>Telephone No. : (03) 2783 9299</p>

2. CORPORATE DIRECTORY (Cont'd)

INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS : Vital Factor Consulting Sdn Bhd
(Registration No. 199301012059 (266797-T))
V Square @ PJ City Centre (VSQ)
Block 6, Level 6
Jalan Utara
46200 Petaling Jaya
Selangor

Telephone No. : (03) 7931 3188
Person-in-charge : Wong Wai Ling
Qualification : Bachelor of Arts from Monash University,
Australia;
Graduate Diploma in Management Studies
from the University of Melbourne, Australia

(Please refer to Section 7 of this Prospectus for the profile of the firm and signing partner)

LISTING SOUGHT : ACE Market of Bursa Securities

SHARIAH STATUS : [Approved by the SAC]

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2. APPROVALS AND CONDITIONS

2.1 APPROVALS FROM RELEVANT AUTHORITIES

2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated [●], approved our admission to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM[●] comprising 400,000,000 Shares on the ACE Market of Bursa Securities. The approval from Bursa Securities is subject to the following conditions:

Details of conditions imposed	Status of compliance
[●]	[●]
[●]	[●]

2.1.2 SC

Our Listing Scheme 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 [●], approved our resultant equity structure pursuant to our Listing under the equity requirement for public listed companies. The effects of our Listing on the equity structure of our Group are as follows:

Category of shareholders	As at [the LPD]		After our Listing	
	No. of Shares	% of issued shares	No. of Shares	% of enlarged issued shares
Bumiputera				
Malaysian public via balloting	-	-	10,000,000	2.50
Bumiputera investors approved by MITI	-	-	50,000,000	12.50
Total Bumiputera	-	-	60,000,000	15.00
Non-Bumiputera	4,000	100.00	340,000,000	85.00
Total Malaysian	4,000	100.00	400,000,000	100.00
Foreigner	-	-	-	-
Total	4,000	100.00	400,000,000	100.00

2.1.3 MITI

The MITI had, vide its letter dated [●], taken note of and has no objection to our Listing on the ACE Market.

2.1.4 SAC

The SAC had, vide its letter dated [●], classified our Shares as Shariah-compliant based on the latest audited combined financial statements of Unique Fire for the FYE 2021.

2. APPROVALS AND CONDITIONS (Cont'd)

2.2 MORATORIUM ON OUR SHARES

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

- (i) The moratorium applies to our Promoters' entire shareholdings for a period of six (6) months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");
- (ii) Upon the expiry of the First 6-Month Moratorium, we must ensure that our Promoters' aggregate shareholdings amounting to at least 45% of our total number of issued Shares (adjusted for any bonus issue or subdivision of shares) will remain under moratorium for a further six (6) months ("**Second 6-Month Moratorium**"); and
- (iii) Upon the expiry of the Second 6-Month Moratorium, our Promoters may sell, transfer or assign up to a maximum of one-third per annum (on a straight line basis) of their Shares held under moratorium.

Our Promoters have provided written undertakings that they will not sell, transfer or assign any part of their interests in the Shares during the moratorium period.

Our Promoters who are also the shareholders of UFG have each furnished a letter of undertaking to Bursa Securities that they will not sell, transfer or assign any part of their shareholdings in UFG during the moratorium period.

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2. APPROVALS AND CONDITIONS (Cont'd)

Details of our Shares which will be subject to moratorium are as follows:

Name of Promoter/ Shareholder	Year 1 after Listing		Year 2 after Listing		Year 3 after Listing	
	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium		Moratorium shares	
	No. of Shares	% of enlarged issued share capital ⁽¹⁾	No. of Shares	% of enlarged issued share capital ⁽¹⁾	No. of Shares	% of enlarged issued share capital ⁽¹⁾
UFG	252,000,000	63.00	180,000,000	45.00	120,000,000	30.00
Liew Sen Hoi	18,208,408	4.56	-	-	-	-
Marcus Liew	4,010,398	1.00	-	-	-	-
Ryan Liew	4,010,398	1.00	-	-	-	-
Roy Liew	4,010,398	1.00	-	-	-	-
Ray Liew	4,010,398	1.00	-	-	-	-
Total	286,250,000	71.56	180,000,000	45.00	120,000,000	30.00

Note:

(1) Based on our enlarged issued share capital of 400,000,000 Shares after our IPO.

The moratorium, which is fully acknowledged by our Promoters (namely UFG, Liew Sen Hoi, Lim Show Ching, Marcus Liew, Ryan Liew, Roy Liew and Ray Liew), is specifically endorsed on our share certificates representing their shareholdings which are under moratorium to ensure that our Share Registrar will not register any transfer and sale that are not in compliance with the aforesaid restriction imposed.

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

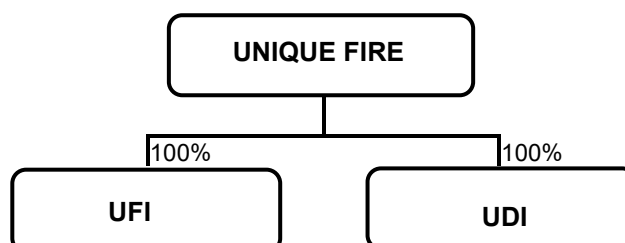
The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text:

Number of Shares to be offered under the Public Issue	83,750,000
- <i>Malaysian Public</i>	20,000,000
- <i>Eligible Directors, employees and persons who have contributed to the success of our Group</i>	8,000,000
- <i>Private placement to selected investors</i>	5,750,000
- <i>Private placement to Bumiputera investors approved by the MITI</i>	50,000,000
Number of Shares to be offered under the Offer for Sale	30,000,000
Enlarged issued share capital upon Listing	RM[●] comprising 400,000,000 Shares
IPO Price per Share	RM[●]
Market capitalisation upon Listing (based on the IPO Price and our enlarged issued share capital after the IPO)	RM[●]

Further details on our IPO and moratorium on our Shares are set out in Sections 4.1 and 2.2 of this Prospectus. Our Promoters' entire shareholdings after IPO will be held under moratorium for six (6) months from the date of admission of our Company to the Official List. Thereafter, our Promoter UFGs' shareholdings amounting to 45% of our total number of issued Shares (adjusted for any bonus issue or subdivision of shares) will remain under moratorium for another six (6) months. UFG may sell, transfer or assign up to a maximum of one-third per year (on a straight-line basis) of their Shares held under moratorium upon expiry of the second six (6)-month period.

3.2 BACKGROUND AND OVERVIEW

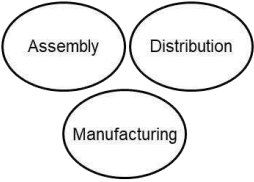



Our Company was incorporated in Malaysia under the Act on 13 April 2021 as a private limited company under the name of Unique Fire Holdings Sdn Bhd and on 8 September 2021 converted to a public limited company. Our Group structure as at the LPD is as follows:



Our Company is an investment holding company. UFI's principal activity is the assembly, manufacture and distribution of active fire protection systems, equipment and accessories for built environment; and UDI's principal activity is the distribution of custom graphics designed fire extinguishers, and other active fire protection systems, equipment and accessories and related services.

Our business model is depicted in the following diagram. Please refer to Section 6.1 for further information on our Group and Section 6.4 for further details of our business model.

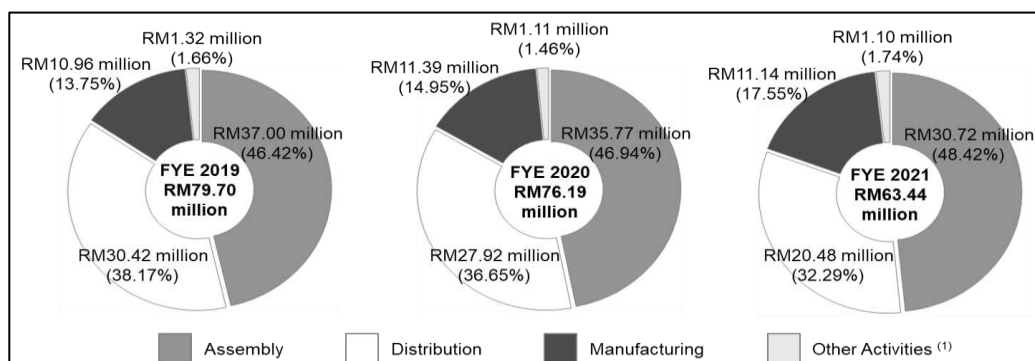
3. PROSPECTUS SUMMARY (Cont'd)

Business activities and revenue streams	Branding	Geographical markets	Distribution channel and customer base
Principal activities Fire protection systems, equipment and accessories 	Own brands 	Principal market 	Main channel Indirect 
Other activities ⁽¹⁾ <ul style="list-style-type: none"> Assisting in Bomba eFEIS application Sales of dry chemical fire extinguisher refilling machines Servicing of fire protection equipment 	Third party brands ⁽²⁾ <ul style="list-style-type: none"> Orient Kidde CD ZYfire Viking Demco System Sensor Ansul 	Foreign markets ⁽³⁾ <ul style="list-style-type: none"> Hong Kong Vietnam Cambodia Brunei Other countries 	Complementary channel Direct ⁽⁴⁾ <ul style="list-style-type: none"> Vehicle manufacturers End-users

Notes:

- (1) Other activities collectively accounted for 1.66%, 1.46% and 1.74% of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.
- (2) Third party brands collectively accounted for 23.24%, 20.06% and 17.87% of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.
- (3) Foreign markets collectively accounted for 1.25%, 1.01% and 1.30% of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.
- (4) Direct distribution channel accounted for 6.12%, 6.32% and 5.85% of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively. Please see Glossary of Technical Terms and Section 6.4.4 for further details on the direct and indirect distribution channel.

Our revenue segmentation by business activities is summarised in the following pie chart:


Note:

- (1) Other activities include assisting in Bomba eFEIS application, sales of dry chemical fire extinguisher refilling machines and servicing of fire protection equipment.

Please see Section 6.4.2.1 for further details of our revenue segmentation by business activities. Further details of our revenue segmentation by type of products, brands and geographical markets are also set out in Sections 6.4.2.2, 6.4.2.3 and 6.4.3 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.3 COMPETITIVE ADVANTAGES AND KEY STRENGTHS

Our Group's competitive advantages and key strengths are summarised as below:

- (a) **We have an established track record of approximately 24 years as a provider of fire protection systems, equipment and accessories which will serve as a platform to grow our business**

We have an established track record of approximately 24 years of operating in the fire protection industry commencing as a distributor in 1997. Throughout our 24 years of operations in the fire protection industry, our Group has evolved from a distributor to a manufacturer of fire protection systems, equipment and accessories. We have been involved in the assembly of fire protection systems and equipment since 2000 commencing with fire hoses, and manufacture of fire extinguishers since 2009.

- (b) **We have our brands of fire protection systems, equipment and accessories to cultivate customer loyalty and brand recognition**

As at LPD, we market our fire protection systems, equipment and accessories under our own Unique, Unique227, Unique5112, Commander and Yama brands. Having our brand is important in cultivating customer loyalty and brand recognition which are important in facilitating repeat orders from customers as well as referrals. For the Financial Years Under Review, revenue derived from our brands collectively accounted for RM59.90 million (75.16%), RM59.89 million (78.59%) and RM51.09 million (80.52%) for the FYE 2019, FYE 2020 and FYE 2021, respectively. This indicates that our brands and products have gained market acceptance and customer loyalty.

- (c) **We are an assembler and manufacturer of our brands of fire protection systems and equipment**

We assemble our brands of fire suppression systems, fire extinguishers, fire hose reels and fire hoses. We also manufacture our brand of hand portable dry chemical fire extinguishers. As an assembler and manufacturer of fire protection systems and equipment, we can initiate and continually strive to improve our finished products to meet changing needs, technologies, regulations as well as customer preferences and requirements, and have direct control over the quality of our products. For the Financial Years Under Review, the assembly and manufacture of our brands of fire protection systems and equipment collectively accounted for RM47.96 million (60.17%), RM47.17 million (61.89%) and RM41.86 million (65.97%) of our total revenue.

- (d) **We market a wide range of fire protection systems, equipment and accessories to meet the diverse needs of our customers**

We market a range of fire protection systems, equipment and accessories to meet the diverse needs of our customers and the market, including fire suppression systems, sprinkler systems, wet and dry riser systems and hydrants, fire extinguishers, fire hose reels, fire hoses, fire alarm and detection devices, batteries, cabinets and fire blankets. Our range of fire protection systems, equipment and accessories enable us to meet the requirements of a range of situations, applications and built environment, capable of addressing Class A, B, C, E and F fires.

- (e) **We are an authorised distributor of third party brands of fire protection systems, equipment and accessories**

As at the LPD, we are an authorised distributor of 8 (eight) third party brands of fire protection systems, equipment and accessories. For each of the respective third party brands, our Group has entered into distributorship agreements with our suppliers. As an authorised distributor, we benefit from the brand equity and customer loyalty developed by our suppliers.

3. PROSPECTUS SUMMARY (Cont'd)

(f) Our fire protection systems, equipment and accessories are used in diverse sectors which will provide us with business growth and opportunities

Our fire protection systems, equipment and accessories are used in a cross-section of applications in diverse sectors including residential, commercial, industrial, leisure and hospitality, institution, infrastructure, public amenities and facilities, as well as commercial vehicles. The wide applications of our fire protection systems, equipment and accessories will provide us with the platform to sustain and grow our business.

(g) The fire protection systems, equipment and accessories that we assemble, distribute and manufacture are critical products mandated by various regulatory bodies

Fire protection systems, equipment and accessories are critical products that are mandatory in built environment that supports human activities, including properties, community facilities and amenities, and infrastructure. As the population, society and community continue to grow, the demand for fire protection systems, equipment and accessories will also increase in tandem to ensure safety from the destructive nature of unwanted fires. As such, there will always be a market for fire protection systems, equipment and accessories.

(h) We have experienced Directors and key management team to grow our business

We have an experienced management team headed by our Managing Director, Liew Sen Hoi who has approximately 50 years in the fire protection industry. He is supported by a team of experienced key senior management with 10 to 26 years of experiences in the fire protection and related industry.

Further details of our Group's competitive advantages and key strengths are set out in Section 6.1.2 of this Prospectus.

3.4 BUSINESS STRATEGIES AND PLANS

Our business strategies and plans are focused on leveraging our core competencies and strengths in assembly, distribution and manufacture of fire protection systems, equipment and accessories. We intend to implement the following business strategies and plans between 2022 and 2025. We may experience delays compared to the expected timeline disclosed in this Prospectus if COVID-19 containment measures are reintroduced in the future. Please refer to Section 6.17.1 of this Prospectus for further details on the impact of the COVID-19 pandemic on our business and financial performance and Section 8.1.2 on risks of the COVID-19 pandemic on our business operations.

(a) Enhance our manufacturing facilities and develop new fire extinguishers

(i) New hand portable dry chemical fire extinguisher cylinder manufacturing lines

We plan to enhance our manufacturing facilities by installing two (2) new manufacturing lines to manufacture hand portable dry chemical fire extinguisher cylinders. These cylinders will be used for our four (4) kg, six (6) kg and nine (9) kg hand portable dry chemical fire extinguishers. We intend to use the new manufacturing lines to manufacture cylinders that comply with MS and BS for our hand portable dry chemical fire extinguishers.

The new hand portable dry chemical cylinder manufacturing lines will provide us with additional capacity. Our existing cylinder manufacturing line has been experiencing high utilisation rates at 88.16%, 73.13% and 83.74% for the FYE 2019, FYE 2020 and FYE 2021 respectively. As such the new manufacturing lines will enable us to address opportunities for the domestic and export markets.

3. PROSPECTUS SUMMARY (Cont'd)

(ii) New hand portable dry chemical fire extinguishers that comply with MS and BS

The hand portable dry chemical fire extinguishers that will be manufactured by the new manufacturing lines will need to be certified to various standards to comply with authorities in various countries including Malaysia. The MS-certified dry chemical fire extinguishers are targeted at the Malaysian market, while the BS-certified fire extinguishers are targeted at export markets that accept BS for dry chemical fire extinguishers such as Hong Kong and Saudi Arabia.

(b) Enhancing our operational capabilities

(i) Increase storage capacity and implementing a warehouse management system

We plan to install two (2) new mezzanine levels within our Operational Facility in Shah Alam, Selangor, one above the existing manufacturing area and one above the existing warehouse area. These new mezzanine levels will increase the usable floor area by approximately 10,228 sq ft or 8.92% from approximately 114,656 sq ft to approximately 124,884 sq ft. Subsequently we intend to install a racking system on the existing ground floor and the new mezzanine levels. Our plans also include equipping our warehouse with a new warehouse management system ("WMS") to digitalise and automate our inventory management functions. We also intend to purchase three (3) new forklifts to handle goods at our warehouse; and two (2) new lorries for deliveries.

(ii) Digital fire extinguisher identification data system and enhance IT system

We intend to digitalise the process of generating, recording and marking fire extinguishers' identification data by replacing the manual process with two (2) automated systems. We also plan to enhance our IT system at our head office and to develop a client portal that provides functionality to authorised customers. In addition, we will also purchase additional software licences to allow the new sales offices and warehouses that we intend to set up to access to our existing ERP system.

(c) Expand our geographical coverage

(i) Establish new sales offices and warehouses in Johor and Penang

We intend to expand our geographic coverage by establishing new sales offices and warehouses in Johor and Penang which will cover the northern and southern regions of Peninsular Malaysia, respectively.

Our new sales offices and warehouses will be on rented premises. As at the LPD, we have not identified any prospective premises. We have budgeted rental of RM24,000 per month for each rented premise. Setting up of each new sales offices and warehouses will involve purchasing one (1) lorry and one (1) forklift, purchasing and installing a racking system, office equipment and furniture, and carrying out renovations for each new sales office and warehouse. We will hire new staff, including one (1) general manager, three (3) sales and marketing officers, four (4) warehouse personnel and two (2) delivery personnel for each new sales office and warehouse.

(ii) Enhance advertising and marketing activities

We intend to enhance our advertising and marketing activities in Malaysia and some targeted foreign countries including Hong Kong and the Middle East. In addition, we plan to appoint new distributors in foreign countries such as Brunei, Cambodia, Hong Kong, Myanmar and Vietnam to expand our geographic reach and grow our export sales.

(d) Use of renewable energy – install rooftop solar photovoltaic system

We intend to install a solar photovoltaic ("PV") system with an installed capacity of approximately 269 kilowatt-peak on the roof of our Operational Facility in Shah Alam, Selangor under the self-consumption ("Selco") programme to reduce our utility costs.

Further details of our Group's business strategies and plans are set out in Section 6.18 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, certain risks and investment considerations (which may occur either individually or in combination, at the same time or around the same time) that may have a significant impact on our future financial performance.

The following are the key risks and investment considerations that we are currently facing or that may develop in the future:

(a) We are dependent on the building construction and property development industries.

Our main customers, namely M&E and FPS contractors and FPS maintenance service providers, operate in the building construction and property development industries, where they are involved in new building construction, and renovations or remodelling. From this perspective, the demand for our fire protection products would be adversely affected if there is a slowdown in the building construction and property development industries.

(b) Our business operations and financial performance may be adversely affected if the COVID-19 pandemic is prolonged or occurrence of similar epidemic or pandemic in the future.

Any deterioration in the COVID-19 pandemic in Malaysia could result in the tightening of economic and social constraints and other restrictions. This could adversely affect our business operations and financial performance. The COVID-19 pandemic may also result in delays in implementing our business strategies and plans in accordance with the expected timeline as set out in Section 6.18 of this Prospectus. Such delays may adversely affect the development of our business and future financial performance.

(c) We could lose or fail to renew our distributorship agreements if we are unable to fulfil the agreed sales target and/or other obligations.

There is a risk that we may not be able to renew our distributorship agreements for products used in our assembly and distribution business segments (see Section 6.4.2.3 for an overview of the products and brands) if we are unable to fulfil our obligations under the respective distributorship agreements, such as achieving sales targets (where relevant) and abiding by the agreed payment terms. There is also a risk that our distributorship agreements may not be renewed even if we meet our obligations as renewal is under the discretion of the respective supplier. If a distributorship agreement is not renewed or terminated for any reason, we may need to source products from other suppliers to supply to our customers.

(d) We mainly adopt an indirect distribution channel strategy where we are dependent on intermediaries to buy our products for installation, maintenance or resale.

For the FYE 2019, FYE 2020 and FYE 2021, indirect distribution channels accounted for 93.88%, 93.68% and 94.15% of our total revenue, respectively. As the revenue for our fire protection systems, equipment and accessories are mainly derived from intermediaries (including M&E contractors, FPS contractors and FPS maintenance service providers, and wholesalers and retailers), our financial performance will be dependent on the demand from this group of customers.

(e) We are exposed to fluctuations in the market price of steel.

Empty cylinders and steel coils and plates collectively accounted for 27.49%, 24.12% and 29.49% of our purchases of input materials and services for the FYE 2019, FYE 2020 and FYE 2021, respectively. Fluctuations in the market price of steel may have an adverse effect on our business operations and/or financial performance in particular any increases could consequently increase the costs of the fire protection systems, equipment and accessories that we assemble, distribute and manufacture.

Please refer to Section 8 of this Prospectus for further details and the full list of risk factors which should be considered before investing in our Shares.

3. PROSPECTUS SUMMARY (Cont'd)

3.6 OUTBREAK OF COVID-19 PANDEMIC

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020. Commencing from 18 March 2020, the Government implemented measures to reduce COVID-19 transmission in the country, which included, among others, controls on the movement of people within Malaysia, controls on international travel, and restrictions on business, government, educational, cultural, recreational and other activities. Our business operations in Malaysia were temporarily interrupted by these measures.

Effects on our business operations

2020: For the period of 18 March 2020 to 31 December 2020, other than a period from 18 March 2020 to 3 May 2020, where our Operational Facility in Shah Alam, Selangor was temporarily closed and all activities related to assembly and manufacturing were temporarily halted, we were able to operate at normal workforce capacity, with the various applicable approvals from MITI throughout the period. In the first MCO period from 18 March 2020 to 3 May 2020 (MCO 1.0), we closed our operational facility on 18 March 2020. Subsequently, UFI received written approval from MITI on 27 March 2020 to resume operations at our operational facility, subject to implementing the relevant standard operating procedures (“SOP”) and guidelines. However, we did not resume operations during the first MCO period as most of our customers whose operations are dependent on the building construction and property development industries, namely M&E and FPS contractors, and FPS maintenance service providers, also temporarily ceased operations during MCO 1.0. This was because most building and construction worksites were closed pursuant to MCO 1.0, and consequently, building and construction activities, including installation of fire protection systems, were temporarily halted.

2021: In 2021, pursuant to the National Recovery Plan (“NRP”) requirements and the relevant written approvals from MITI, we were required to scale down our workforce capacity and operations to 60% capacity during Phase 1 of the NRP (commencing from 1 June 2021). However, due to EMCO imposed in Selangor our operations were temporarily closed from 3 July 2021 and we resumed operations on 17 July 2021 at 60% workforce capacity. We then returned to normal workforce capacity commencing from 23 August 2021 and continued to operate at normal workforce capacity based on SOP and guidelines throughout the various phases of the NRP from Phases 1 to 4 in 2021. As at 29 December 2021, all of our employees have been vaccinated, and there has been no breach of laws relating to COVID-19 restrictions or SOP which may lead to penalties by relevant authorities.

From 18 March 2020 and up to the LPD, we did not face any material disruptions to our supply chain that were related to COVID-19 due to our inventory forecasting and planning. In addition, our inventory levels were sufficient for normal manufacturing operations and able to meet all customers’ orders without delay. As at the 29 December 2021, our Group has not experienced any termination or cancellation of orders as a result of COVID-19 and MCO or variations thereof.

Effects of of COVID-19 on our financial performance

FYE 2021: Measures implemented by the Government to control the spread of COVID-19 had affected our revenue during the relevant quarters of FYE 2021, as summarised in the following table:

	Fourth Quarter FYE 2020 <i>(Jan - Mar 2020)</i>	First Quarter FYE 2021 <i>(Apr - Jun 2020)</i>	Second Quarter FYE 2021 <i>(July - Sept 2020)</i>	Third Quarter FYE 2021 <i>(Oct - Dec 2020)</i>	Fourth Quarter FYE 2021 <i>(Jan - Mar 2021)</i>
Revenue (RM'000)	15,385	7,631	18,757	19,679	17,377
Quarter-on-quarter change (%)	-	(50.40)	145.80	4.92	(11.70)

Our revenue for FYE 2021 as a whole was affected by, among others, measures taken by the Government to control COVID-19. Our total revenue for FYE 2021 decreased by RM12.75 million or 16.73% to RM63.44 million (FYE 2020: RM76.19 million). Our GP for the FYE 2021 decreased by RM5.47 million or 24.68% to RM16.69 million (FYE 2020: RM22.16 million), in line with the lower overall sales recorded due to the COVID-19 pandemic.

3. PROSPECTUS SUMMARY (Cont'd)

Notwithstanding the decrease in revenue and GP for FYE 2021, our net operating cash from operating activities was RM11.24 million for FPE 2021, partially offset by net cash for investing and financing activities of RM0.05 million and RM9.58 million, respectively, resulting in net increase in cash and cash equivalents of RM1.62 million for FYE 2021.

Our total net trade receivables stood at RM22.81 million as at 31 March 2021, out of which RM9.22 million or approximately 40.41% exceeded the normal credit term mainly due to slower collection amid the COVID-19 pandemic. Up to the LPD, we have collected RM19.90 million or 87.24% of the total net trade receivables as at 31 March 2021.

FYE 2022: Between April and May 2021, our business operations were not materially affected by the COVID-19 pandemic as business sectors were allowed to operate normally (subject to adherence to relevant SOP and guidelines). The implementation of Phase 1 of the NRP lockdown commencing from 1 June 2021 impacted on our monthly revenue between June 2021 and July 2021 as most of our customers who are M&E and FPS contractors, and FPS maintenance service providers involved in the building construction industry were required to temporarily cease their business operations. The interruptions to our business operations during the Phase 1 of the NRP lockdown has impacted our monthly revenue performance for the month of June 2021 and July 2021. Subsequently, our revenue performance improved progressively from the month of August 2021 onwards since the resumption of our operations on 23 August 2021 at normal workforce capacity based on the revised SOP, where revenue for August 2021 and September 2021 increased by 103.26% and 56.64% respectively month-on-month. This is summarised in our monthly revenue for April 2021 to September 2021:

	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021
Revenue (RM'000)	8,016	5,649	2,191	2,452	4,984	7,807
Month-on-month change (%)	-	(29.53)	(61.21)	11.91	103.26	56.64

Notwithstanding interruptions to our business operations during Phase 1 of the NRP lockdown, we have not faced any termination or cancellation of orders due to COVID-19 or MCO, FMCO, NRP or EMCO periods during FYE 2022 up to 29 December 2021.

Please see Section 6.17.1 for further details on the material interruptions to our business due to the COVID-19 pandemic. Please also see Sections 11.3.4 and 11.4 for further details of the impact of MCO or variations thereof on our Group's liquidity and ageing analysis of trade receivables of our Group, respectively.

3.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Selma Enolil Binti Mustapha Khalil	Independent Non-Executive Chairperson
Liew Sen Hoi	Managing Director
Marcus Liew	Executive Director
Ryan Liew	Executive Director
Ir. Tee Kiam Hong	Independent Non-Executive Director
Olivia Lim	Independent Non-Executive Director
Andrea Huang Jia Mei	Independent Non-Executive Director
Key Senior Management	
Roy Liew	Operation Director
Ray Liew	Creative Director
Cheow Zi Ying	Chief Financial Officer
Tan Hoay Ling	Supply Chain Manager
Mohamad Azmir Bin Ramli	Quality Assurance and Control Manager

Further details on our Directors and key senior management are disclosed in Sections 5.1 and 5.2 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The details of our Promoters and substantial shareholders, and their respective shareholdings in our Company before and after our IPO are as follows:

Promoters/ Substantial Shareholders	Place of Incorporation / Nationality	Before our IPO / After the Acquisition of UFI and UDI				After the Public Issue			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%(a)	No. of Shares	%(a)*	No. of Shares	%(b)	No. of Shares	%(b)*
UFG ^(c)	Malaysia	-	-	-	-	-	-	-	-
Liew Sen Hoi	Malaysian	173,784,000	54.96	142,466,000	45.04 ^(d)	173,784,000	43.44	142,466,000	35.62 ^(d)
Lim Show Ching	Malaysian	15,792,400	5.00	173,784,000	54.96 ^(e)	15,792,400	3.94	173,784,000	43.44 ^(e)
Marcus Liew	Malaysian	31,668,400	10.01	-	-	31,668,400	7.92	-	-
Ryan Liew	Malaysian	31,668,400	10.01	-	-	31,668,400	7.92	-	-
Roy Liew	Malaysian	31,668,400	10.01	-	-	31,668,400	7.92	-	-
Ray Liew	Malaysian	31,668,400	10.01	-	-	31,668,400	7.92	-	-
Promoters/ Substantial Shareholders	Place of Incorporation / Nationality	After the Offer for Sale				After our IPO and Share Transfer to UFG			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%(b)	No. of Shares	%(b)*	No. of Shares	%(b)	No. of Shares	%(b)*
UFG ^(c)	Malaysia	-	-	-	-	252,000,000	63.00	-	-
Liew Sen Hoi	Malaysian	143,784,000	35.94	142,466,000	35.62 ^(d)	18,208,408	4.56	268,041,592	67.00 ^(f)
Lim Show Ching	Malaysian	15,792,400	3.94	143,784,000	35.94 ^(e)	-	-	18,208,408	4.56 ^(e)
Marcus Liew	Malaysian	31,668,400	7.92	-	-	4,010,398	1.00	-	-
Ryan Liew	Malaysian	31,668,400	7.92	-	-	4,010,398	1.00	-	-
Roy Liew	Malaysian	31,668,400	7.92	-	-	4,010,398	1.00	-	-
Ray Liew	Malaysian	31,668,400	7.92	-	-	4,010,398	1.00	-	-

Notes:

* Liew Sen Hoi is the spouse of Lim Show Ching, and Marcus Liew, Ryan Liew, Roy Liew and Ray Liew are their sons. Please see Section 5.7 of this Prospectus for further details of the family relationship between the Promoters, substantial shareholders and Directors.

(a) Based on our issued share capital of 316,250,000 Shares after the Acquisition of UFI and UDI, but before our IPO.

3. PROSPECTUS SUMMARY (Cont'd)

- (b) Based on our enlarged issued share capital of 400,000,000 Shares after the Public Issue, Offer for Sale and Share Transfer to UFG pursuant to our IPO.
- (c) UFG's shareholders and their respective direct shareholdings in UFG are as follows: Liew Sen Hoi (55.00%); his spouse Lim Show Ching (5.00%); and their sons Marcus Liew (10.00%), Ryan Liew (10.00%), Roy Liew (10.00%) and Ray Liew (10.00%).
- (d) Deemed interested by virtue of his spouse's and his sons' direct shareholdings in Unique Fire.
- (e) Deemed interested by virtue of her spouse's direct shareholdings in Unique Fire.
- (f) Deemed interested by virtue of his sons' direct shareholdings in Unique Fire, as well as Section 8(4) of the Act through his shareholding of more than 20% in UFG. See note (c) above for further details.

Further details of our Promoters and substantial shareholders are disclosed in Section 5.1.1 of this Prospectus.

3.9 USE OF PROCEEDS FROM OUR IPO

The total gross proceeds from our Public Issue amounting to RM[●] million based on the IPO Price are intended to be used in the following manner:

Purposes	RM'000	%	Estimated time frame for use (from the Listing date)
Expansion of manufacturing facilities	[●]	[●]	Within 36 months
Expansion of geographic coverage	[●]	[●]	Within 24 months
Expansion of operational capabilities	[●]	[●]	Within 24 months
Working capital	[●]	[●]	Within 12 months
Estimated listing expenses	[●]	[●]	Within 3 months
Total	[●]	[●]	

There is no minimum subscription to be raised from our IPO. Further details on the use of proceeds are set out in Section 4.4 of this Prospectus.

Our Company will not receive any proceeds from the Offer for Sale. Based on the IPO Price, the gross proceeds from the Offer for Sale of approximately RM[●] million will accrue entirely to the Offeror. The Offeror shall bear the entire incidental expenses and fees in relation to the Offer for Sale, amounting to approximately RM[●] million.

The financial impact of the use of proceeds from our Public Issue is illustrated in the Pro Forma Combined Statements of Financial Position as at 31 March 2021 set out in Section 11.9 of this Prospectus.

3.10 FINANCIAL HIGHLIGHTS

The key financial highlights of our historical audited combined statements of comprehensive income for the FYE 2019 to FYE 2021 are set out below:

	Audited		
	FYE		
	2019 RM'000	2020 RM'000	2021 RM'000
Revenue	79,699	76,194	63,444
Cost of sales	(56,578)	(54,032)	(46,753)
GP	23,121	22,162	16,691
PBT	13,409	10,161	7,682
PAT	9,945	7,484	5,324
GP margin ⁽¹⁾ (%)	29.01%	29.09%	26.31%
PBT margin ⁽²⁾ (%)	16.82%	13.34%	12.11%
PAT margin ⁽³⁾ (%)	12.48%	9.82%	8.39%
Current ratio (times)	5.11	7.91	3.42
Gearing ratio (times)	0.22	0.24	0.34

3. PROSPECTUS SUMMARY (Cont'd)**Notes:**

- (1) GP margin is calculated based on GP divided by revenue.
- (2) PBT margin is calculated based on PBT divided by revenue.
- (3) PAT margin is calculated based on PAT divided by revenue.

Please refer to Section 11 of this Prospectus for further discussion on our historical audited financial information.

3.11 DIVIDEND POLICY

It is our Directors' policy to allow our shareholders to participate in the profits of our Group as well as leaving adequate reserves for the future growth of our Group. The dividends declared and paid for the past FYE 2019 to FYE 2021 are as follows:

	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000
Dividends declared	4,577	6,178	11,500
Dividends paid	4,577	5,178	* 12,500

Note:

- * Dividend paid in relation to FYE 2020 amounting to RM1.00 million.

Notwithstanding the above, our Group presently does not have a fixed dividend policy. Our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained for working capital of our business.

However, investors should note that the intention to recommend dividends should not be treated as a legal obligation on our Company to do so. The level of dividends should also not be treated as an indication of our Company's future dividend policy. There can be no assurance that dividends will be paid out in the future or on timing of any dividends that are to be paid in the future. In determining dividends in respect of subsequent financial years, consideration will be given to maximising shareholders' value. Save for certain financial covenants which UFI is subject to, there is no dividend restriction being imposed on our Group currently.

In addition, our ability to declare and pay interim dividends as well as to recommend final dividends are subject to the discretion of our Board. We will also need to obtain our shareholders' approval for any final dividend for the year. No inference should or can be made from any of the statements above as to our actual future profitability and our ability to pay dividends in the future.

Further details of our dividend policy are disclosed in Section 11.8 of this Prospectus.

4. PARTICULARS OF OUR IPO

4.1 DETAILS OF OUR IPO

4.1.1 Listing Scheme

Our Listing Scheme in conjunction with and as an integral part of the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities involves the following:

- (a) Acquisition of UFI and UDI;
- (b) Public Issue;
- (c) Offer for Sale;
- (d) Share Transfer to UFG; and
- (e) Listing.

(a) Acquisition of UFI and UDI

(i) Acquisition of UFI

On 26 August 2021, our Company entered into a conditional shares sale agreement to acquire the entire issued share capital of UFI of RM9,004,500 comprising 9,004,500 ordinary shares from the shareholders of UFI set out in the table below for a total purchase consideration of RM50,529,280. The purchase consideration was entirely satisfied by the issuance of 315,808,000 new Shares at an issue price of RM0.16 per Share to the shareholders of UFI as follows:

Shareholders of UFI	Shareholdings held in UFI (%)	Purchase consideration (RM)	No. of Unique Fire Shares issued
Liew Sen Hoi	55.00	27,791,104	173,694,400
Lim Show Ching	5.00	2,526,464	15,790,400
Marcus Liew	10.00	5,052,928	31,580,800
Ryan Liew	10.00	5,052,928	31,580,800
Roy Liew	10.00	5,052,928	31,580,800
Ray Liew	10.00	5,052,928	31,580,800
Total	100.00	50,529,280	315,808,000

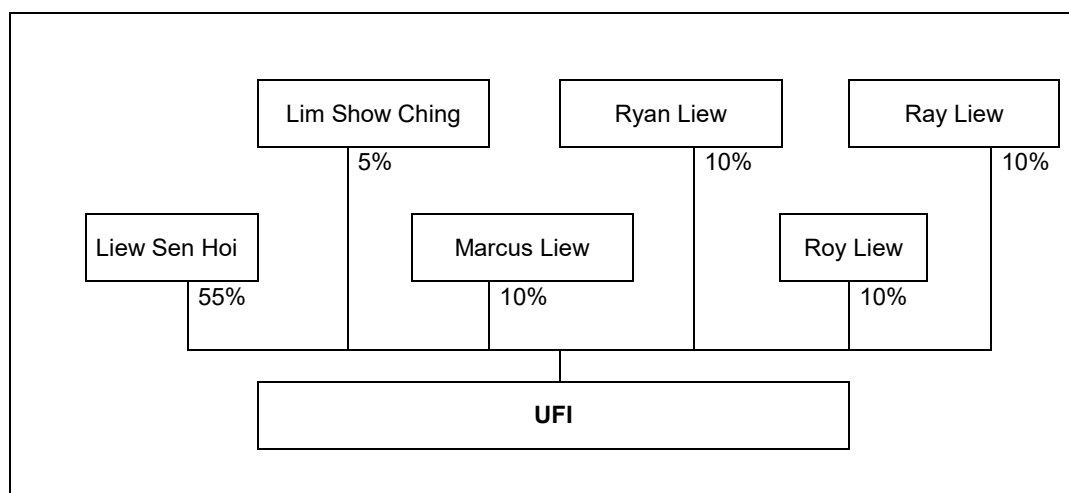
The purchase consideration of RM50,529,280 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of UFI as at 31 March 2021 of approximately RM50.53 million.

The conditions precedent of the above shares sale agreement included among others, the approval-in-principle of Bursa Securities for the Listing, the approval-in-principle of the SC for the registration of this Prospectus, the SC, MITI and SAC's notifications or approvals set out in Sections 2.1.2, 2.1.3 and 2.1.4 of this Prospectus, our Company's Directors and shareholders' approvals for the Acquisition of UFI, as well as the board approval of UFI for the registration of the transfer of the entire issued share capital of UFI under our Company's name in UFI's register of members.

The Acquisition of UFI was completed on [•] and UFI became a wholly-owned subsidiary of our Company.

4. PARTICULARS OF OUR IPO (Cont'd)

Our group structure before the Acquisition of UFI is as follows:

Before the Acquisition of UFI**(ii) Acquisition of UDI**

On 26 August 2021, our Company entered into a conditional shares sale agreement to acquire the entire issued share capital of UDI of RM450,000 comprising 450,000 ordinary shares from the shareholders of UDI set out in the table below for a total purchase consideration of RM70,080. The purchase consideration was entirely satisfied by the issuance of 438,000 new Shares at an issue price of RM0.16 per Share to the shareholders of UDI as follows:

Shareholders of UDI	Shareholdings held in UDI (%)	Purchase consideration (RM)	No. of Unique Fire Shares issued
Liew Sen Hoi	20.00	14,016	87,600
Marcus Liew	20.00	14,016	87,600
Ryan Liew	20.00	14,016	87,600
Roy Liew	20.00	14,016	87,600
Ray Liew	20.00	14,016	87,600
Total	100.00	70,080	438,000

The purchase consideration of RM70,080 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of UDI as at 31 March 2021 of approximately RM0.07 million.

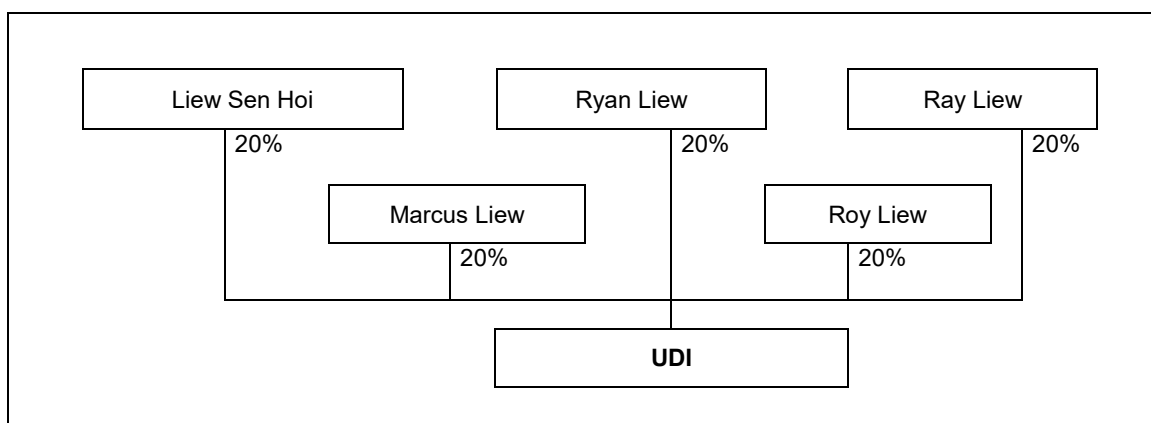
The conditions precedent of the above shares sale agreement included among others, the approval-in-principle of Bursa Securities for the Listing, the approval-in-principle of the SC for the registration of this Prospectus, the SC, MITI and SAC's notifications or approvals set out in Sections 2.1.2, 2.1.3 and 2.1.4 of this Prospectus, our Company's Directors and shareholders' approvals for the Acquisition of UDI, as well as the board approval of UDI for the registration of the transfer of the entire issued share capital of UDI under our Company's name in UDI's register of members.

4. PARTICULARS OF OUR IPO (Cont'd)

The Acquisition of UDI was completed on [•] and UDI became a wholly-owned subsidiary of our Company.

Our group structure before the Acquisition of UDI is as follows:

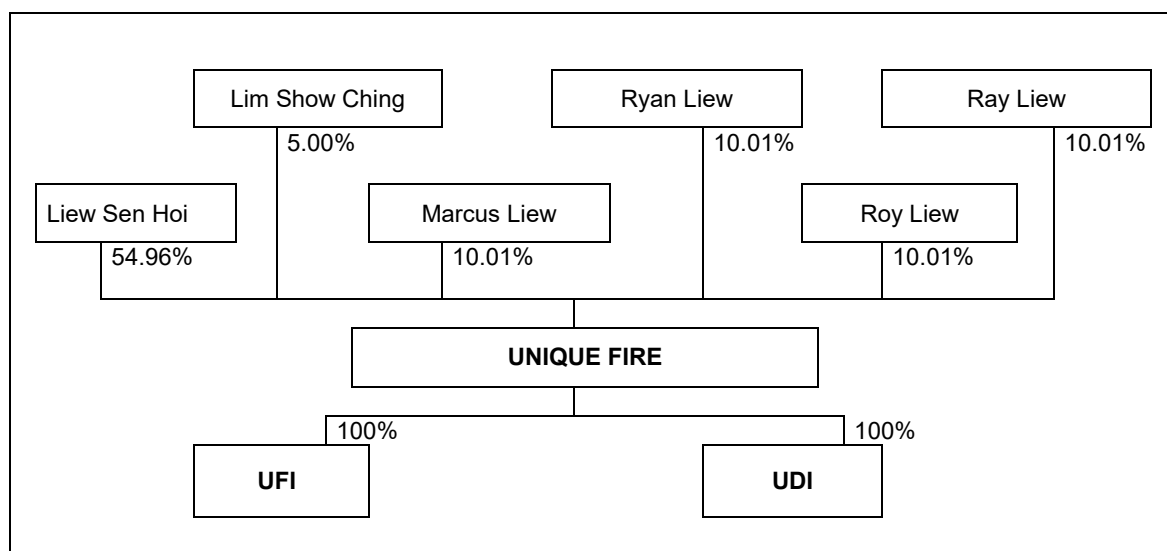
Before the Acquisition of UDI



(iii) After Acquisition of UFI and UDI

Upon completion of the Acquisition of UFI and UDI, the issued share capital of our Company increased to RM50,599,760 comprising 316,250,000 Shares.

Our group structure after the completion of the Acquisition of UFI and UDI but before our IPO is as follows:



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4. PARTICULARS OF OUR IPO (Cont'd)**(b) Public Issue**

The Public Issue of 83,750,000 new Shares, representing approximately 20.94% of our enlarged issued share capital upon Listing, at the IPO Price, is payable in full on Application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:

(i) Malaysian Public

20,000,000 new Shares, representing 5.00% of our enlarged issued share capital, will be made available for application by the Malaysian Public via balloting, of which at least 50.00% is to be set aside strictly for Bumiputera investors. Any Issue Shares reserved under the Malaysian Public balloting portion which are not fully subscribed for by the Malaysian Public will be made available for subscription as follows:

- (a) firstly, by the Eligible Persons (excluding the eligible Directors) under the Pink Form Allocation as described in Section 4.1.1(b)(ii) of this Prospectus;
- (b) secondly, by our selected investors as described in Section 4.1.1(b)(iii) of this Prospectus; and
- (c) lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.

(ii) Eligible Persons

8,000,000 new Shares, representing 2.00% of our enlarged issued share capital, will be made available for application by the Eligible Persons.

We will allocate the Issue Shares to the Eligible Persons in the following manner:

Eligibility	No. of persons	Aggregate number of Issue Shares allocated
Directors of Unique Fire ⁽¹⁾	4	1,000,000
Employees ⁽²⁾	Up to [80]	[4,200,000]
Persons who have contributed to the success of our Group ⁽³⁾	Up to [24]	[2,800,000]
Total	Up to [108]	[8,000,000]

Notes:

- (1) The criteria of allocation to our eligible Directors are based on, among others, their respective roles and responsibilities in our Group.
- (2) The criteria of allocation to the eligible employees of our Group (as approved by our Board) are based on, among others, the following factors:
 - (i) The employee must be a full time employee and on the payroll of our Group; and
 - (ii) The number of Issue Shares allocated to the eligible employees is based on their position, their length of service and their past performance / contribution as well as other factors deemed relevant by our Board.

4. PARTICULARS OF OUR IPO (Cont'd)

- (3) The Issue Shares to be allocated to the persons who have contributed to the success of our Group, comprising our business associates, suppliers and customers, shall be based on their contribution to our Group and as approved by our Board.

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

Name	Designation	Number of Issue Shares allocated
Selma Enolil Binti Mustapha Khalil	Independent Non-Executive Chairperson	250,000
Ir. Tee Kiam Hong	Independent Non-Executive Director	250,000
Olivia Lim	Independent Non-Executive Director	250,000
Andrea Huong Jia Mei	Independent Non-Executive Director	250,000
Total		1,000,000

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

Name	Designation	Number of Issue Shares allocated
Cheow Zi Ying	Chief Financial Officer	120,000
Tan Hoay Ling	Supply Chain Manager	120,000
Mohamad Azmir Bin Ramli	Quality Assurance and Control Manager	120,000
Total		360,000

Our Executive Directors, and Roy Liew and Ray Liew who are also our key senior management have opted not to participate in the Pink Form Allocation as they are also Promoters and substantial shareholders of our Company. Please see Sections 5.1.1, 5.2.3, and 5.2.7 for further details of our Directors' and key senior management's shareholdings in our Company as at the LPD and after the IPO.

Any Issue Shares reserved under the Pink Form Allocation which are not taken up will be made available for subscription as follows (subject always to the availability of the Issue Shares):

- (a) firstly, by other Eligible Persons (excluding the eligible Directors);
- (b) secondly, by the Malaysian Public and our selected investors as described in Sections 4.1.1(b)(i) and 4.1.1(b)(iii) of this Prospectus, respectively; and
- (c) lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.

As at the LPD, save as disclosed in Section 4.3 of this Prospectus, to the extent known to our Company:

4. PARTICULARS OF OUR IPO (Cont'd)

- (a) there are no substantial shareholders, Directors or key senior management of our Company who have indicated to us that they intend to subscribe for the IPO Shares; and
- (b) there are no persons who have indicated to us that they intend to subscribe for more than 5.00% of the IPO Shares.

(iii) Private placement to selected investors

5,750,000 new Shares, representing approximately 1.44% of our enlarged issued share capital, will be made available by way of private placement to selected investors.

The Issue Shares reserved under the private placement to selected investors are not underwritten as written irrevocable undertakings to subscribe for these Issue Shares will be obtained from the respective identified investors.

(iv) Private placement to Bumiputera investors approved by the MITI

50,000,000 new Shares, representing 12.50% of our enlarged issued share capital, will be allocated by way of private placement to Bumiputera investors approved by the MITI ("**MITI Tranche**").

The Issue Shares reserved under the private placement to Bumiputera investors approved by the MITI are not underwritten as written irrevocable undertakings to subscribe for these Issue Shares will be obtained from the respective Bumiputera investors.

In the event of under-subscription of the MITI Tranche by the Bumiputera investors approved by the MITI and subject to a corresponding over-subscription by the Malaysian Public or over-subscription by selected investors, the remaining portion will be clawed-back and be placed to the investors as follows:

- (a) firstly, the selected investors under Section 4.1.1(b)(iii) of this Prospectus (whom are institutional investors); and
- (b) secondly, the Bumiputera public investors under Section 4.1.1(b)(i) of this Prospectus.

Any remaining portion from the MITI Tranche which are not taken up by the Bumiputera public investors and the selected investors will be made available to the other public investors under Section 4.1.1(b)(i) of this Prospectus.

The basis of allocation of our Issue Shares shall take into account the desirability of distributing our Issue Shares to a reasonable number of applicants with a view of broadening the shareholding base of our Company to meet the public spread requirements and to establish a liquid and adequate market for our Shares. Applicants will be selected on a fair and equitable manner.

There is no over-allotment or "greenshoe" option that will result in an increase in the amount of our Issue Shares.

The salient terms of the Underwriting Agreement are set out in Section 4.6 of this Prospectus.

(c) Offer for Sale

30,000,000 Offer Shares, representing approximately 7.50% of our enlarged issued share capital, are offered by our Offeror to selected investors by way of private placement at the IPO Price. Our Offer for Sale is subject to the terms and conditions of this Prospectus.

4. PARTICULARS OF OUR IPO (Cont'd)

The details of our Offeror and his relationship with our Group are as follows:

Name and Address	Nature of relationship	Before our IPO / After the Acquisition of UFI and UDI				Offer for Sale			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	% ^(a)	No. of Shares	% ^(a)	No. of Shares	% ^(b)	No. of Shares	% ^(b)
Liew Sen Hoi	Promoter, substantial shareholder and Managing Director	173,784,000	54.96	142,466,000	45.04 ^(c)	30,000,000	7.50	-	-
No. 108, Jalan Awan Kecil, Taman Overseas Union, 58200 Kuala Lumpur		After the Offer for Sale				After our IPO and Share Transfer to UFG			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	% ^(b)	No. of Shares	% ^(b)	No. of Shares	% ^(b)	No. of Shares	% ^(b)
		143,784,000	35.94	142,466,000	35.62 ^(c)	18,208,408	4.56	268,041,592	67.00 ^(d)

Notes:

- (a) Based on our issued share capital of 316,250,000 Shares after the Acquisition of UFI and UDI but before our IPO.
- (b) Based on our enlarged issued share capital of 400,000,000 Shares after our IPO.
- (c) Deemed interested by virtue of his spouse's (Lim Show Ching), and his sons' (Marcus Liew, Ryan Liew, Roy Liew and Ray Liew) direct shareholdings in Unique Fire.
- (d) Deemed interested by virtue of his sons' (Marcus Liew, Ryan Liew, Roy Liew and Ray Liew) direct shareholdings in Unique Fire, as well as Section 8(4) of the Act through his shareholding of more than 20% in UFG.

4. PARTICULARS OF OUR IPO (Cont'd)**(d) Share Transfer to UFG**

During the prescription period (one (1) day after the launching date of the Prospectus up to a period of 30 days), our Promoters will transfer their respective shareholdings set out below in conjunction with the IPO amounting to 252,000,000 Shares to UFG for a purchase consideration of RM[•]. Further details of the Share Transfer to UFG are set out below:

Promoters	No. of Shares held before Share Transfer to UFG	%	No. of Shares to be transferred to UFG	No. of Shares held after Share Transfer to UFG	%
Liew Sen Hoi	143,784,000	35.95	(125,575,592)	18,208,408	4.56
Lim Show Ching	15,792,400	3.95	(15,792,400)	-	-
Marcus Liew	31,668,400	7.92	(27,658,002)	4,010,398	1.00
Ryan Liew	31,668,400	7.92	(27,658,002)	4,010,398	1.00
Roy Liew	31,668,400	7.92	(27,658,002)	4,010,398	1.00
Ray Liew	31,668,400	7.92	(27,658,002)	4,010,398	1.00
TOTAL	286,250,000	71.58	(252,000,000)	34,250,000	8.56

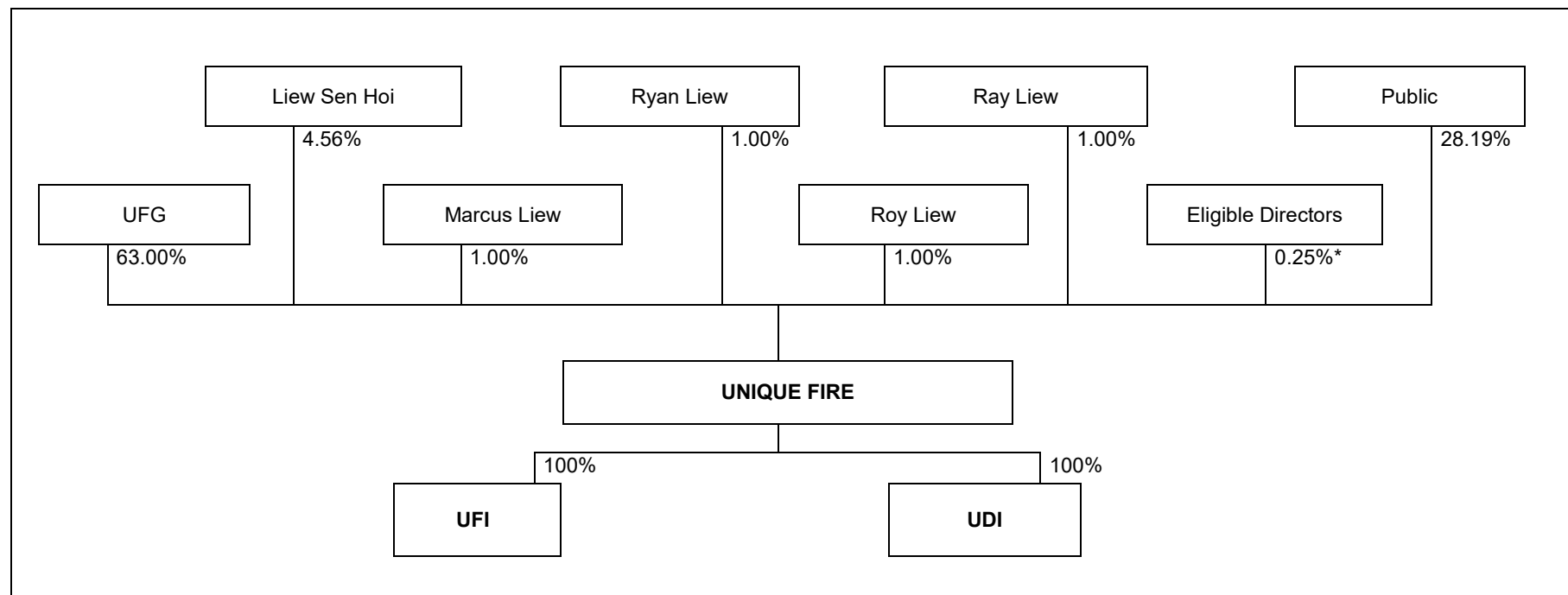
UFG is an investment holding company held by our Promoters, namely Liew Sen Hoi with equity interest of 55.00%, Lim Show Ching with equity interest of 5.00%, and Marcus Liew, Ryan Liew, Roy Liew and Ray Liew each with equity interest of 10.00%, respectively. The Share Transfer to UFG will enable 63.00% shareholdings in our Company held by the individual Promoters (all of whom are family members) to be held collectively via UFG for family succession planning purposes. Liew Sen Hoi is the spouse of Lim Show Ching, and Marcus Liew, Ryan Liew, Roy Liew and Ray Liew are their sons.

Please refer to Section 5.1.2(i) of this Prospectus for further details on UFG and 5.7 for further details of the family relationship between the Promoters.

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4. PARTICULARS OF OUR IPO (Cont'd)

Upon completion of the Share Transfer to UFG, the shareholding structure of our Group will be as follows:



Note:

* Being 1,000,000 Issue Shares to be allocated to our eligible Directors pursuant to the Pink Form Allocation.

4. PARTICULARS OF OUR IPO (Cont'd)**(e) Listing**

The admission of our Company to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM[●] comprising 400,000,000 Shares on the ACE Market of Bursa Securities have been approved by Bursa Securities.

	No. of Shares	Share capital (RM)
Issued share capital as at the date of this Prospectus	316,250,000	50,599,760
New Shares to be offered pursuant to the Public Issue	83,750,000	[●]
Enlarged issued share capital upon Listing	400,000,000	[●]
Offer for Sale*	30,000,000	[●]
IPO Price		[●]
- Pro forma combined NA per Share <i>(based on our enlarged issued share capital after our IPO and after the use of proceeds raised from our Public Issue)</i>		RM [●]
- Market capitalisation upon Listing <i>(based on the IPO Price and our enlarged issued share capital after our IPO)</i>		[●]

Note:

* Our Offer for Sale will not have any effect on our share capital.

The IPO Price is payable in full upon Application.

We only have one (1) class of shares, being ordinary shares, all of which rank equally with each other. Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing issued share capital, including voting rights and rights to all dividends and 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 issued share capital, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of transfer of our Offer Shares.

Subject to special rights attached to any Share which may be issued by us in the future, our shareholders shall, in proportion to 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 the whole of any surplus in the event of our liquidation, such surplus to be distributed among the members in proportion to the issued share capital at the commencement of the liquidation, in accordance with our Constitution and provisions of the Act.

4. PARTICULARS OF OUR IPO (Cont'd)

At any general meeting of our Company, each shareholder shall be entitled to vote in person, by proxy, by attorney or by a duly authorised representative under the instrument of proxy or certificate of appointment of corporate representative or power of attorney. On a show of hands, each present shareholder either in person, by proxy, by attorney or by a duly authorised representative under the instrument of proxy or certificate of appointment of corporate representative or power of attorney shall have one (1) vote. Subject to any express requirements under the Listing Requirements, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, shall be voted by poll. On a poll, each present shareholder either in person, by proxy, shall have one (1) vote for each Share held. A proxy may but need not be a shareholder of our Company and shall be entitled to vote on a poll provided he is the only proxy appointed by the shareholder of our Company. If a shareholder appointed more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument of proxy, otherwise the appointment shall not be valid.

4.2 BASIS OF ARRIVING AT THE IPO PRICE

Our Directors and AIBB, as the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, had determined and agreed upon the IPO Price after taking into consideration the following factors:

(i) Financial and operating history

Based on the historical audited combined statements of profit or loss and other comprehensive income of our Group for the FYE 2021, we recorded a PAT of RM5.32 million representing an EPS of 1.68 sen (based on the existing issued share capital of 316,250,000 Shares) and 1.33 sen (based on the enlarged issued share capital of 400,000,000 Shares upon Listing) resulting in PE Multiple of [●] times and [●] times, respectively.

Our detailed operating and financial history is outlined in Sections 6 and 11 of this Prospectus, respectively.

(ii) Business strategies

Our business strategies are outlined in Section 6.18 of this Prospectus.

(iii) Competitive advantages and key strengths, and industry overview

Our competitive advantages and key strengths, and the industry overview are outlined in Sections 6.1.2 and 7 of this Prospectus, respectively.

(iv) Pro forma combined NA

The pro forma combined NA per Share as at 31 March 2021 of RM[●] based on the enlarged issued share capital of 400,000,000 Shares in our Company upon Listing and after use of proceeds.

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, which may affect the trading price of our Shares. You are reminded to consider the risk factors set out in Section 8 of this Prospectus before deciding to invest in our Shares.

4. PARTICULARS OF OUR IPO (Cont'd)

4.3 DILUTION

Dilution is the amount by which the IPO Price to be paid by investors for our Issue Shares / Offer Shares exceeds our pro forma combined NA per Share after our IPO and is as follows:

	RM
IPO Price	[•]
Pro forma combined NA per Share as at 31 March 2021 before the Public Issue	0.16
Pro forma combined NA per Share as at 31 March 2021 after the Public Issue and use of proceeds	[•]
Increase in NA per Share attributable to existing shareholders	[•]
Dilution in NA per Share to new investors	[•]
Dilution in NA per Share as a percentage of the IPO Price	[•]%

Save as disclosed below, there has been no acquisition of any existing equity securities in our Company by our Promoters, substantial shareholders, Directors and / or key senior management, or persons connected with them from the date of our incorporation to the date of this Prospectus, or which they have the right to acquire:

Promoters, substantial shareholders, Directors and / or key senior management or persons connected with them	No. of Shares held before our IPO*	No. of Shares held from our IPO**	Total consideration RM	Effective cash cost per share RM
Promoter and substantial shareholder				
UFG	-	252,000,000	[•]	[•]
Lim Show Ching	15,792,400	-	2,526,664	0.16
Promoters, substantial shareholders and Directors				
Liew Sen Hoi	173,784,000	-	27,805,320	0.16
Marcus Liew	31,668,400	-	5,066,944	0.16
Ryan Liew	31,668,400	-	5,066,944	0.16
Other Directors				
Selma Enolil Binti Mustapha Khalil	-	250,000	[•]	[•]
Ir. Tee Kiam Hong	-	250,000	[•]	[•]
Olivia Lim	-	250,000	[•]	[•]
Andrea Huong Jia Mei	-	250,000	[•]	[•]
Promoters, substantial shareholders and key senior management				
Roy Liew	31,668,400	-	5,066,944	0.16
Ray Liew	31,668,400	-	5,066,944	0.16

4. PARTICULARS OF OUR IPO (Cont'd)

Promoters, substantial shareholders, Directors and / or key senior management or persons connected with them	No. of Shares held before our IPO*	No. of Shares held from our IPO**	Total consideration RM	Effective cash cost per share RM
Key senior management				
Cheow Zi Ying	-	120,000	[•]	[•]
Tan Hoay Ling	-	120,000	[•]	[•]
Mohamad Azmir Bin Ramli	-	120,000	[•]	[•]

Notes:

* After the Acquisition of UFI and UDI

** After the Share Transfer to UFG and assuming all Pink Form Allocations are fully subscribed.

4.4 USE OF PROCEEDS FROM OUR IPO

The total gross proceeds from the Public Issue will amount to RM[•] million based on the IPO Price. We expect the proceeds to be used in the following manner:

Purposes	RM'000	%	Estimated time frame for use (from the Listing date)
Expansion of manufacturing facilities	[•]	[•]	Within 36 months
Expansion of geographical coverage	[•]	[•]	Within 24 months
Expansion of operational capabilities	[•]	[•]	Within 24 months
Working capital	[•]	[•]	Within 12 months
Estimated listing expenses	[•]	[•]	Within 3 months
Total	[•]	100.00	

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

Pending the eventual use of proceeds raised from the Public Issue, the proceeds will be placed in interest-bearing short-term deposits or money market instruments with licensed financial institutions.

4. PARTICULARS OF OUR IPO (Cont'd)

4.4.1 Expansion of manufacturing facilities

(a) New hand portable dry chemical fire extinguisher cylinder manufacturing lines

As at the LPD, we have one (1) hand portable dry chemical fire extinguisher cylinder manufacturing line with annual production capacity of 210,000 units. In FYE 2021, the actual production output was 175,856 units of hand portable dry chemical fire extinguishers, which recorded a utilisation rate of 83.74%.

We intend to allocate RM[•] million, representing approximately [•]% of the proceeds from our Public Issue, for the installation of two (2) new hand portable dry chemical fire extinguisher cylinder manufacturing lines progressively within a period of 36 months from the Listing date. The New Manufacturing Line 1 and New Manufacturing Line 2 ("**New Manufacturing Lines**") are expected to commence operations in the second half of 2023 and 2025, respectively. The New Manufacturing Lines will utilise the rolling and welding method as compared to the current deep drawing method where a circular blank steel sheet is drawn into a cylinder shape over three stages. Please refer to Section 6.10.5 of this Prospectus for additional information. The new manufacturing method uses steel sheet which is cut and rolled into the required diameter and the edges are automatically welded to form a tube, which will results in changes in the dimension of the cylinders compared to our existing manufactured cylinders. The rolling and welding method results in lower overall surface area for the same capacity compared to cylinders manufactured by deep drawing, resulting in less usage of material. Each new manufacturing line has an estimated output capacity of 235,000 cylinders per year. With the installation of the two (2) new manufacturing lines, our estimated output capacity will increase by approximately more than 200%. The estimated costs of the installation of the New Manufacturing Lines are set out below:

	Total estimated cost RM'000
Purchase and installation of the first new hand portable dry chemical manufacturing line (" New Manufacturing Line 1 ")	[•]
Purchase and installation of the second new hand portable dry chemical manufacturing line (" New Manufacturing Line 2 ")	[•]
Total	[•]

(b) New hand portable dry chemical fire extinguishers that comply with MS and BS

We intend to use the New Manufacturing Lines to manufacture new hand portable dry chemical fire extinguishers that comply with MS and BS for domestic and export markets. The MS-certified hand portable dry chemical fire extinguishers are targeted at the Malaysian market. The BS-certified fire extinguishers are targeted at export markets that accept BS such as Hong Kong and Saudi Arabia, which is expected to enlarge our export markets and increase our export sales. We expect to receive the MS-certification and BS-certification by second half of 2023 and 2024, respectively.

4. PARTICULARS OF OUR IPO (Cont'd)

We intend to allocate RM[●] million, representing approximately [●]% of the proceeds from our Public Issue, for the costs of developing the prototypes and obtaining the relevant certifications for the new MS and BS-certified hand portable dry chemical fire extinguishers, the breakdown of which is as follows:

	Estimated cost RM'000
Development of prototypes and obtaining certification for MS-certified hand portable dry chemical fire extinguishers	[●]
Development of prototypes and obtaining certification for BS-certified hand portable dry chemical fire extinguishers	[●]
	[●]

The main difference between MS- and BS-certified hand portable dry chemical fire extinguishers is that BS-certified hand portable dry chemical fire extinguishers utilise monoammonium phosphate in higher concentration, as they are designed to more quickly extinguish fires (of similar intensity) at faster speed as compared to MS-certified hand portable dry chemical fire extinguishers. Other than this, MS- and BS-certified hand portable dry chemical fire extinguishers are comparable in terms of design and working principle.

If the actual costs for the expansion of manufacturing facilities are higher than budgeted, the deficit will be funded by internally generated funds and/or bank borrowings. Conversely, if the actual costs for the expansion of manufacturing facilities are lower than budgeted, the excess will be used for working capital purposes to purchase input materials for our assembly and manufacturing activities and goods for our distribution.

4.4.2 Expansion of geographical coverage**(a) Establish new sales offices and warehouses in Johor and Penang**

We intend to allocate RM[●] million, representing approximately [●]% of the proceeds from our Public Issue, for the setting up of one (1) new sales office with warehouse in Johor and Penang, respectively, within a period of 24 months from the Listing date.

To cater for the expansion in our business, the new sales offices are mainly to serve our existing customers and to engage with prospective new customers at the respective regions. The warehouses will be used mainly to maintain inventories of commonly purchased items so that we can fulfill our customers' orders promptly and efficiently. The new sales offices and warehouses in Johor and Penang are expected to commence business operations by second half of 2022.

We anticipate that the total costs required to set up each new sales office with warehouse in Johor and Penang is approximately RM[●] million, which include mainly the following:-

	Total estimated cost RM'000	
	Johor	Penang
Rental of sales offices and warehouses for 24 months ⁽¹⁾	[●]	[●]

4. PARTICULARS OF OUR IPO (Cont'd)

	Total estimated cost RM'000	
	Johor	Penang
Operating expenses for 24 months ⁽²⁾	[•]	[•]
Staff costs for 24 months ⁽³⁾	[•]	[•]
Purchase lorry, forklift, racking, office equipment, furniture and renovations	[•]	[•]
Total	[•]	[•]

Notes:

- (1) Our Group intends to rent the sales offices and warehouses at Johor and Penang.
- (2) Operating expenses include utilities such as water and electricity, security, internet and general upkeep and maintenance.
- (3) The staffs intend to be hired for the new sales offices and warehouses in Johor and Penang and the corresponding staff costs for payroll for 24 months are as follows:

	Johor		Penang	
	Number of personnel	Estimated staff costs for 24 months RM'000	Number of personnel	Estimated staff costs for 24 months RM'000
General manager	1	[•]	1	[•]
Sales and marketing officer	3	[•]	3	[•]
Warehouse personnel	4	[•]	4	[•]
Delivery personnel	2	[•]	2	[•]
Total	10	[•]	10	[•]

Please refer to Section 6.18.4(i) of this Prospectus for further details of our business plans and strategies in relation to the setting up of new sales offices and warehouses.

(b) Enhance advertising and marketing activities

We intend to allocate RM[•] million, representing approximately [•]% of the proceeds from our Public Issue, to enhance our advertising and marketing activities in Malaysia and targeted foreign countries or regions including Hong Kong and the Middle East. We intend to target Hong Kong due to our dealing with Hong Kong customers in FYE 2021 with a revenue of RM0.53 million (0.83%), and plan to export our new BS-certified hand portable dry chemical fire extinguishers to Hong Kong. We intend to target the Middle East as one of our suppliers, Orient Corporation has business and customers in that region.

4. PARTICULARS OF OUR IPO (Cont'd)

The estimated costs for the advertising and marketing activities are set out below:

	Total estimated cost RM'000
Advertising activities including outdoor advertising on billboards, advertising on trade publications and online advertising targeting Malaysia (" Advertising Activities ")	[●]
Marketing activities including organising seminars and events in Malaysia, participating in exhibitions in Malaysia and foreign countries ⁽¹⁾ , producing corporate videos and appointing new distributors in foreign countries (" Marketing Activities ")	[●]
Total	[●]

Note:

(1) We intend to participate in exhibitions of foreign countries, namely the INTERSCHUTZ at Hannover Exhibition Grounds in Germany, and China Fire Expo in Beijing, China.

The above advertising and marketing activities are targeted to be implemented during the year of 2022 and 2023 with the purpose to build our brand equity and increase customer awareness, particularly in new markets.

As at the LPD we do not have appointed distributors in other countries. As part of our enhancing advertising and marketing activities, we intend to appoint new distributors in Brunei, Cambodia, Hong Kong, Myanmar and Vietnam to expand our geographic reach and to grow our export sales. We have selected these countries due to our dealings with the customers in these countries during the Financial Years Under Review. In addition, some of our fire protection systems and equipment already have the relevant certifications and approvals that meet the requirements of these countries. We expect to leverage on the expertise and distribution network of the distributors in the respective countries to increase the sales of our products abroad.

If the actual costs for the expansion of geographical coverage are higher than budgeted, the deficit will be funded by internally generated funds and/or bank borrowings. Conversely, if the actual costs for the expansion of geographical coverage are lower than budgeted, the excess will be used for working capital purposes to purchase input materials for our assembly and manufacturing activities and goods for our distribution.

4.4.3 Expansion of operational capabilities**(a) Increase storage capacity and implement a warehouse management system**

We intend to allocate RM[●]million, representing approximately [●]% of the proceeds from our Public Issue, to increase our storage capacity and implement a warehouse management system ("**WMS**"), the breakdown of which is set out below:

4. PARTICULARS OF OUR IPO (Cont'd)

	Total estimated cost RM'000
Mezzanine levels	[•]
WMS	[•]
Racking system	[•]
3 new forklifts and 2 new lorries	[•]
Total	[•]

We anticipate that additional storage capacity is required in the future amidst the expansion of our business. We plan to install two (2) new mezzanine levels within our existing Operational Facility in Shah Alam, Selangor, one above the existing manufacturing area and one above the existing warehouse area, and a racking system will be installed on the existing ground floor and the new mezzanine levels. These new mezzanine levels will increase the usable floor area of our Operational Facility by approximately 10,228 sq ft or 8.92% from approximately 114,656 sq ft to approximately 124,884 sq ft. This new usable floor area will be entirely allocated for storage use, which will increase our storage area by 67.59% from approximately 15,132 sq ft to approximately 25,360 sq ft. The two (2) new mezzanine levels and racking system are expected to be completed by first half of 2023 and the CCC is expected to be obtained from the relevant authorities by second half of 2023.

In addition, we will equip our warehouse at our existing Operational Facility in Shah Alam, Selangor with a WMS to digitalise and automate our inventory management functions by second half of 2022. This will improve our inventory management and facilitate faster and more accurate storage and retrieval of goods. This is necessary in view that our current inventory management is carried out manually, and also enhance our operational capabilities to support our business strategies and plans set out in Section 6.18 of this Prospectus. To support the increased warehouse capacity, part of the IPO proceeds will also be used to purchase three (3) forklifts and two (2) trucks by first half of 2024 to enhance our warehousing and delivery operations.

(b) Digital fire extinguisher identification data systems and enhance IT system

We intend to allocate RM[•]million, representing approximately [•]% of the proceeds from our Public Issue, for the implementation of digital fire extinguisher identification data systems and enhancement of our IT system, the breakdown of which is set out below:

	Total estimated cost RM'000
Purchase of digital fire extinguisher identification data systems	[•]
Purchase of IT hardware and office software, and development of client portal	[•]
Total	[•]

4. PARTICULARS OF OUR IPO (Cont'd)

We are currently using a manual paper-based fire extinguisher identification method to record the identification data of the fire extinguishers we assemble or manufacture, such as serial numbers, manufacturing and end of shelf life dates, and assigned locations. The relevant information is then submitted manually to Bomba for the eFEIS. We intend to digitalise the process by replacing the manual process with two (2) automated digital fire extinguisher identification data systems which we will purchase and set up for our existing operations and the New Manufacturing Line 1, respectively. The two (2) automated digital fire extinguisher identification data systems are expected to be set up by first half of 2022 and 2023, respectively. This will allow us to eliminate duplicate information, increase the efficiency and accuracy of record keeping. The system also enables us to monitor maintenance schedules and end of shelf life dates, and proactively engage with our customers or end-users to offer maintenance services or replacements accordingly. The relevant information can also be submitted electronically by customers to Bomba for the eFEIS which will benefit our customers by saving time and reducing errors.

To enhance our IT system in order to increase the efficiency of our operations, we will purchase desktop computers and office software for our technical, administrative and other office staff based at our head office, and develop a client portal that enables our authorised customers to access eFEIS data for their fire extinguishers by first half of 2022. The client portal also allows our customers to conduct their purchases online and to track their order status. We will also purchase additional software licences by first half of 2023 to allow the new sales offices and warehouses that we intend to set up to access to our existing ERP system.

(c) Install rooftop solar photovoltaic system

We intend to install a rooftop solar photovoltaic ("PV") system at our existing Operational Facility in Shah Alam, Selangor, by second half of 2022 in order to reduce our utility cost. The total utility cost of electricity our Group recorded in FYE 2019, FYE 2020 and FYE 2021 was RM0.33 million, RM0.33 million and RM0.29 million, respectively. The average utility cost savings of the planned solar PV system is projected at approximately RM0.19 million per year.

We will allocate RM[●]million, representing approximately [●]% of the proceeds from our Public Issue, for the full costs of engaging a third party vendor to construct the solar PV system, which includes the expenses of designing the solar PV system, submission to the relevant authorities and the installation of the solar PV system. As at the LPD, we have identified a vendor and obtained a quotation from them.

If the actual costs for the expansion of operational capabilities are higher than budgeted, the deficit will be funded by internally generated funds and/or bank borrowings. Conversely, if the actual costs for the expansion of operational capabilities are lower than budgeted, the excess will be used for working capital purposes to purchase input materials for our assembly and manufacturing activities and goods for our distribution.

4.4.4 Working capital

Our Group's working capital requirement is expected to increase in tandem with the expansion of our business. After taking into consideration of our liquidity and capital resources position as detailed in Section 11.3.4 of this Prospectus, we intend to allocate RM[●] million, representing approximately [●]% of the proceeds from our Public Issue, as working capital to finance our Group's future operations mainly in respect of purchase of input materials and goods for distribution. The breakdown of the allocation is set out below:

4. PARTICULARS OF OUR IPO (Cont'd)

	Total estimated cost RM'000
Purchase of input materials for our assembly and manufacturing activities	[•]
Purchase of goods for our distribution	[•]
Total	[•]

Material costs, which consists of input materials for our assembly and manufacturing activities and goods purchased from suppliers and/or manufacturers for onwards sale or distribution to our customers, are our largest cost of sales items. It accounted for 92.62%, 92.03% and 91.57% of our total cost of sales for the FYE 2019, FYE 2020 and FYE 2021, respectively. The input materials, include among others, empty cylinders, parts for fire hose reels and fire hoses extinguishing agents are materials purchased for the purpose of assembly and manufacturing activities, whereas the goods for distribution are ready for sale items which include, among others, fire protection equipment and accessories, sprinkler systems and wet and dry riser systems and hydrants, for the purpose of distribution. This working capital allocation is expected to enhance our Group's liquidity and cash flow position and to reduce our reliance on external financing to support the expected growth in our daily operations.

4.4.5 Estimated listing expenses

Our listing expenses are estimated to be RM[•] million, details of which are as follows:

	RM'000
Professional fees ⁽¹⁾	[•]
Fees to authorities	[•]
Estimated underwriting, placement and brokerage fees	[•]
Printing and advertising	[•]
Contingencies ⁽²⁾	[•]
Total	[•]

Notes:

- (1) Includes professional and advisory fees for, among others, Principal Adviser, Solicitors, Reporting Accountants and IMR.
- (2) Other incidental or related expenses in connection with the IPO, which include translators, media related expenses and IPO event expenses.

If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes to purchase input materials for our assembly and manufacturing activities and goods for our distribution.

Our Company will not receive any proceeds from the Offer for Sale. Based on the IPO Price, the gross proceeds from the Offer for Sale of approximately RM[•] million will accrue entirely to the Offeror. The Offeror shall bear the entire incidental expenses and fees in relation to the Offer for Sale, amounting to approximately RM[•] million.

The financial impact of the use of proceeds from our Public Issue is illustrated in the Pro Forma Combined Statements of Financial Position as at 31 March 2021 set out in Section 11.9 of this Prospectus.

4. PARTICULARS OF OUR IPO (Cont'd)

4.5 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.5.1 Brokerage fee

We will bear the brokerage fees to be incurred on the issue of the 28,000,000 Issue Shares pursuant to our IPO under Sections 4.1.1(b)(i) and 4.1.1(b)(ii) of this Prospectus at the rate of [•]% of the IPO Price in respect of successful Applications which bear the stamp of AIBB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

4.5.2 Underwriting commission

AIBB, as our Sole Underwriter has agreed to underwrite 28,000,000 Issue Shares as set out in Sections 4.1.1(b)(i) and 4.1.1(b)(ii) of this Prospectus. We will pay our Sole Underwriter an underwriting commission at an average rate of [•]% of the total value of the Shares underwritten at the IPO Price.

4.5.3 Placement fee

AIBB, as our Placement Agent has agreed to place out 55,750,000 Issue Shares and 30,000,000 Offer Shares available under the placement to selected investors as well as Bumiputera investors approved by the MITI as set out in Sections 4.1.1(b)(iii), 4.1.1(b)(iv) and 4.1.1(c) of this Prospectus, at the rate of [up to] [•]% of the IPO Price for each Issue Share / Offer Share to be placed out by the Placement Agent.

The placement fees to be incurred on the sale of 30,000,000 Offer Shares will be fully borne by the Offeror.

4.6 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

On [•], we have entered into the Underwriting Agreement with the Sole Underwriter to underwrite 28,000,000 Issue Shares ("**Underwritten Shares**"), upon the terms and subject to the conditions as set out in the Underwriting Agreement.

The salient terms of the Underwriting Agreement are as follows:

[The salient terms will be inserted once the Underwriting Agreement has been entered into and is available.]

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

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

The details of our Promoters and substantial shareholders, and their respective shareholdings in our Company before and after our IPO are as follows:

Promoters/ Substantial Shareholders	Place of Incorporation / Nationality	Before our IPO / After the Acquisition of UFI and UDI				After the Public Issue			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	% ^(a)	No. of Shares	% ^{(a)*}	No. of Shares	% ^(b)	No. of Shares	% ^{(b)*}
UFG ^(c)	Malaysia	-	-	-	-	-	-	-	-
Liew Sen Hoi	Malaysian	173,784,000	54.96	142,466,000	45.04 ^(d)	173,784,000	43.44	142,466,000	35.62 ^(d)
Lim Show Ching	Malaysian	15,792,400	5.00	173,784,000	54.96 ^(e)	15,792,400	3.94	173,784,000	43.44 ^(e)
Marcus Liew	Malaysian	31,668,400	10.01	-	-	31,668,400	7.92	-	-
Ryan Liew	Malaysian	31,668,400	10.01	-	-	31,668,400	7.92	-	-
Roy Liew	Malaysian	31,668,400	10.01	-	-	31,668,400	7.92	-	-
Ray Liew	Malaysian	31,668,400	10.01	-	-	31,668,400	7.92	-	-

Promoters/ Substantial Shareholders	Place of Incorporation / Nationality	After the Offer for Sale				After our IPO and Share Transfer to UFG			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	% ^(b)	No. of Shares	% ^{(b)*}	No. of Shares	% ^(b)	No. of Shares	% ^{(b)*}
UFG ^(c)	Malaysia	-	-	-	-	252,000,000	63.00	-	-
Liew Sen Hoi	Malaysian	143,784,000	35.94	142,466,000	35.62 ^(d)	18,208,408	4.56	268,041,592	67.00 ^(f)
Lim Show Ching	Malaysian	15,792,400	3.94	143,784,000	35.94 ^(e)	-	-	18,208,408	4.56 ^(e)
Marcus Liew	Malaysian	31,668,400	7.92	-	-	4,010,398	1.00	-	-
Ryan Liew	Malaysian	31,668,400	7.92	-	-	4,010,398	1.00	-	-
Roy Liew	Malaysian	31,668,400	7.92	-	-	4,010,398	1.00	-	-
Ray Liew	Malaysian	31,668,400	7.92	-	-	4,010,398	1.00	-	-

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

Notes:

- * Liew Sen Hoi is the spouse of Lim Show Ching, and Marcus Liew, Ryan Liew, Roy Liew and Ray Liew are their sons. Please see Section 5.7 of this Prospectus for further details of the family relationship between the Promoters, substantial shareholders and Directors.
- (a) Based on our issued share capital of 316,250,000 Shares after the Acquisition of UFI and UDI, but before our IPO.
- (b) Based on our enlarged issued share capital of 400,000,000 Shares after the Public Issue, Offer for Sale and Share Transfer to UFG pursuant to our IPO.
- (c) UFG's shareholders and their respective direct shareholdings in UFG are as follows: Liew Sen Hoi (55.00%); his spouse Lim Show Ching (5.00%); and their sons Marcus Liew (10.00%), Ryan Liew (10.00%), Roy Liew (10.00%) and Ray Liew (10.00%).
- (d) Deemed interested by virtue of his spouse's and his sons' direct shareholdings in Unique Fire.
- (e) Deemed interested by virtue of her spouse's direct shareholdings in Unique Fire.
- (f) Deemed interested by virtue of his sons' direct shareholdings in Unique Fire, as well as Section 8(4) of the Act through his shareholding of more than 20% in UFG. See note (c) above for further details.

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

5.1.2 Profile of Promoters and substantial shareholders

(i) UFG

Promoter and substantial shareholder

UFG was incorporated in Malaysia under the Act on 19 August 2021. [On [●], it has changed its name to Unique Go Sdn Bhd.] As at the LPD, the issued share capital of UFG is RM100.00 comprising 100 ordinary shares. UFG is principally an investment holding company and was incorporated with the objective to hold 63.00% shareholdings in our Company held by the individual Promoters (all of whom are family members) pursuant to the Share Transfer to UFG for family succession planning purposes. Please refer to Section 4.1.1(d) for further details of the Share Transfer to UFG.

The directors and shareholders of UFG and their respective shareholdings in UFG as at the LPD are as follows:

Directors and Shareholders	Direct Interest in UFG	
	No. of ordinary shares	%
Liew Sen Hoi	55	55.00
Lim Show Ching	5	5.00
Marcus Liew	10	10.00
Ryan Liew	10	10.00
Roy Liew	10	10.00
Ray Liew	10	10.00
Total	100	100.00

Please see Section 5.7 of this Prospectus for further details of the family relationship between the Promoters, substantial shareholders and Directors.

(ii) Liew Sen Hoi

Promoter, substantial shareholder and Managing Director

Liew Sen Hoi, Malaysian, aged 67, is our Promoter, substantial shareholder and founder of our Group. He is also our Group's Managing Director. He was appointed to our Board on 13 April 2021.

He started his career in 1971 as a supervisor and installer for firefighting equipment with LKT Engineering. In 1975, he left LKT Engineering to start his own business venture and established Brilliant Fire Engineering with his siblings as a partnership. He and his siblings later on established Brilliant Fire Engineering Sdn Bhd ("BFE") in December 1986 to carry on the business of Brilliant Fire Engineering and its principal business involved the supply and installation of firefighting systems. He held the position as Managing Director of BFE until March 2004. His role included managing contractors for fire protection safety equipment and system installations. He later resigned as the Managing Director of BFE and transferred his shareholdings in BFE to his nephew in March 2004 for his siblings and their family members to grow their own business.

Concurrent with his involvement in BFE up till March 2004, he was also a director and shareholder of UBE Engineering Sdn Bhd from May 1990 to March 1997 where he was involved in overseeing operations of the company. UBE Engineering Sdn Bhd was then a company involved in trading of fire safety equipment and the other shareholder of UBE Engineering Sdn Bhd then is a third party not related to Liew Sen Hoi.

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

Between June 2003 to September 2020 he was also a director and shareholder of Fiex Engineering Sdn Bhd, a company whose principal activity was a contractor for fire protection engineering work. During his tenure as a director and shareholder of Fiex Engineering Sdn Bhd, he was not involved in the day-to-day operations of the company.

In April 1997, he became a shareholder of UFI, our subsidiary, with his spouse Lim Show Ching. UFI was incorporated in January 1997 by subscriber shareholders (namely Lim Boon Keong and Seow Swee Lan) holding one (1) share each. The subscriber shareholders then in April 1997 transferred the entire issued share capital of RM2.00 consisting of two (2) shares of RM1.00 each to Liew Sen Hoi. He also established UDI in January 2018 with his sons Roy Liew and Ray Liew. He has assumed the position of our Managing Director since UFI's incorporation and is responsible for providing overall management of our Group's business and operations with the assistance of our Executive Directors and key senior management or personnel who report to him in relation to the job functions or departments they oversee. With more than 50 years of experience in fire protection industry, he is instrumental in providing strategic direction to our Group's business and development strategies.

Please see Section 5.2.4 for further details of Liew Sen Hoi's involvement in principal business activities and directorships outside of our Group at present and in the past five (5) years preceding the LPD. Please also see Section 5.7 of this Prospectus for further details of the family relationship between the Promoters, substantial shareholders and Directors.

(iii) **Lim Show Ching**

Promoter and Substantial Shareholder

Lim Show Ching, Malaysian, aged 66, is our Promoter and substantial shareholder.

She has been our subsidiary UFI's director since 31 March 1997 and UFI's shareholder since 2 April 1997. She is a homemaker and is not involved in the day-to-day operations of UFI.

She is the spouse of Liew Sen Hoi and the mother of Marcus Liew, Ryan Liew, Roy Liew and Ray Liew, and also a director and shareholder of UFG. Please see Section 5.7 of this Prospectus for further details of the family relationship between the Promoters, substantial shareholders and Directors.

(iv) **Marcus Liew**

Promoter, substantial shareholder and Executive Director

Marcus Liew, Malaysian, aged 42, is our Promoter, substantial shareholder and Executive Director. He was appointed to our Board on 8 October 2021.

He obtained a Bachelor of Management (Operations Management) from University of South Australia in 2002.

After his graduation, he started his career with Citibank Berhad as a Sales Executive in March 2003 where his work involved mainly in mortgage sales. He was also awarded the Quarter 3 2003 Top Rookie Award by the Mortgage & Share Finance Sales unit of Citibank Berhad. He left Citibank Berhad in May 2004 and joined Global Capital Planning Sdn Bhd in June 2004 as a Financial Sales Executive where he was responsible for the introduction and promotion of mortgage and loan products as well as providing solutions to prospective and existing clients. In December 2004, he left Global Capital Planning Sdn Bhd in preparation to establish Unique Revolution Sdn Bhd, a company principally involved in the trading of various types of battery-operated and manually operated bicycles and related parts and accessories, and trading in firefighting equipment and related goods, with his father Mr Liew Sen Hoi. From February 2005 to November 2005, he was the managing director and oversaw the company's operations. He resigned from his designation as managing director of Unique Revolution Sdn Bhd to join UFI in December 2005 but continued to hold his directorship and shareholdings in

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

Unique Revolution Sdn Bhd. Unique Revolution Sdn Bhd became dormant since April 2016 and was struck off in September 2021.

In December 2005, he joined UFI as a Business Development Manager and rose through the ranks to become UFI's General Manager in February 2010. In November 2018, he was promoted and appointed as a director of UFI, and held the designation of Sales and Marketing Director in UFI, a position he still holds to-date. In his tenure from 2005 till current, he oversees the company's sales and marketing strategies, and is responsible for planning and coordinating, and implementing new business plans based on the strategic direction provided by our Managing Director, as well as participating in negotiations with our Group's customers. He also contributes to product expansion strategies and development of new markets for our Group from a sales and marketing perspective such as providing feedback on customer preferences and trends, exploring new distributorship relations to widen our product range, and exploring new addressable markets both locally as well as in foreign countries. He has also been a director of our subsidiary UDI since February 2021 but is not involved in the day-to-day operations of UDI. In October 2021, he was redesignated as our Group's Executive Director, and continues to oversee the above functions for our Group.

He emerged as a Top 30 Semi-finalist for the 2019 Junior Chamber International Malaysia Creative Young Entrepreneur Award.

Within the fire protection industry, he currently serves as the Vice President of the Malaysian Fire Protection Association ("MFPA"), a position he has held since 2019, and is a representative member of the MFPA on the Department of Standards Malaysia's working group established for Gaseous Fire Extinguishing Systems since 2021.

Please see Section 5.2.4 for further details of Marcus Liew's involvement in principal business activities and directorships outside of our Group at present and in the past five (5) years preceding the LPD. Please also see Section 5.7 of this Prospectus for further details of the family relationship between the Promoters, substantial shareholders and Directors.

(v) **Ryan Liew**

Promoter, substantial shareholder and Executive Director

Ryan Liew, a Malaysian aged 39, is our Promoter, substantial shareholder and Executive Director. He was appointed to our Board on 8 October 2021.

He obtained a Bachelor of Engineering (Mechanical) in 2006 and Master of Engineering Management in 2007 from the Queensland University of Technology, Australia. He further obtained a Graduate Certificate in Performance-Based Building & Fire Codes in 2009 and a Graduate Diploma in Building Fire Safety and Risk Engineering in 2010 from Victoria University, Australia. He has been a Graduate Engineer registered with the Board of Engineers Malaysia since 2007, and a Graduate Member (Mechanical) of The Institution of Engineers, Malaysia since 2011. He is also an Affiliate Member of The Institution of Fire Engineers (UK) since 2013.

After his graduation, from May 2007 to March 2009, he held the position of Graduate Fire Engineer in Bassett Consulting Engineers and later on AECOM Australia Pty Ltd ("AECOM") upon Bassett Consulting Engineers becoming part of AECOM. As a Graduate Fire Engineer, he was involved in developing alternative building fire safety solutions by generating simulation of fire via software for purposes of designing fire safety systems to ensure the safety of the occupants in the event of fire, developing various fire engineering briefs and fire engineering reports to justify alternative engineered solutions against local building fire safety requirements in Australia and risk engineering (such as hazardous area classification studies). In May 2009, he left AECOM and joined Project Services, Department of Public Works, Queensland State Government as a Fire Services Engineer, a position he held till July 2010. His responsibilities included engaging with clients and relevant stakeholders and to deliver engineering solutions in relation to fire safety designs. He participated in various projects and,

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

amongst others, was involved in fire services (such as fire hydrant system design, automatic fire sprinkler system design, and fire detection and alarm system design), fire safety engineering (such as fire safety strategy and fire engineering reports).

Subsequently, in September 2010 he joined UFI as a Research and Development Engineer. In November 2018, he was promoted and appointed as a director of UFI, and held the designation of Product Engineering and Services Director, a position he still holds till present. In his roles above, his responsibilities include leading our engineering department which is tasked among others to ensure that our Group's products comply with applicable technical and regulatory requirements. He also lends support with his knowledge and qualification in fire safety to assist our Group's efforts in our product range expansion in particular with regards to technical aspects and specifications. Over the years, he has been instrumental in the expansion and growth of our back-end operations to support our business growth such as being the project manager for overseeing the construction of our current head office and Operational Facility in Shah Alam, Selangor which was completed in 2013, and also in driving the introduction and implementation of our ERP system, in 2011. He has also been a director of our subsidiary UDI since February 2021 but is not involved in the day-to-day operations of UDI.

Ryan also played an important role in driving UFI's efforts to successfully obtain the following certifications for our own Unique227 brand of HFC fire suppression systems: achieve conformity of the HFC filling machine and nozzle drilling machine to UL procedures in 2017, obtaining the SGP certification from TNB in 2018 which allows our HFC fire suppression systems to be used in the TNB system. UFI also obtained FM Approvals certification in July 2021 for our Unique227 and Unique5112 brands of HFC fire suppression systems. Ryan also led UFI's efforts to achieve conformity of the HFC filling machine for the Kidde brand of HFC fire suppression systems to UL procedures in 2019.

Ryan Liew was a common director of UFI and Cfyre Protection Sdn Bhd. He was a director of Cfyre Protection Sdn Bhd from 5 April 2019 to 24 March 2021, and a shareholder of Cfyre Protection Sdn Bhd from 5 April 2019 to 21 April 2021. He was not involved in the day-to-day operations of Cfyre Protection Sdn Bhd throughout this period.

In October 2021, he was redesignated as our Group's Executive Director, and continues to oversee the above functions for our Group.

Please see Section 5.2.4 for further details of Ryan Liew's involvement in principal business activities, and directorships outside of our Group at present and in the past five (5) years preceding the LPD. Please also see Section 5.7 of this Prospectus for details of the family relationship between the Promoters, substantial shareholders and Directors.

(vi) **Roy Liew**

Promoter, substantial shareholder and Key Senior Management

Roy Liew, a Malaysian aged 36, is our Promoter and substantial shareholder. He is also one of our key senior management and holds the designation of Operation Director.

He obtained a Diploma in Business from HELP University College, Malaysia in 2005 and graduated with a Bachelor of Commerce from Griffith University, Queensland, Australia in 2007.

Upon his graduation, in November 2007, he joined UFI as a Business Development Manager where his role included identifying market trends and new business opportunities for UFI, and formulating promotion and marketing strategies to expand UFI's customer base. He was promoted to become the General Manager of Manufacturing in January 2013. Subsequently in November 2018, he was promoted and appointed as a director of UFI, and held the designation of Director of Supply Chain Management. He is responsible for managing the Group's manufacturing division and production activities, monitoring product standards and

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

QC systems, as well as overseeing UFI's overall supply chain operations, including purchasing and inventory management, warehouse management, assessment of suppliers or third-party vendors, distribution and delivery logistics of finished products. In August 2021, he was redesignated to his current position as Operation Director of our Group and continues to carry out the above functions. He has also been a director of our subsidiary UDI since its incorporation in January 2018 and oversees the operations of UDI, such as developing business plans and pricing strategies (including determining product prices, preparation of quotations to customers, market surveys for UDI's products), inventory management (including monitoring level of merchandise, packaging materials) and logistics planning (such as shipping or delivery to customers). Prior to the completion of the Acquisition of UDI on [date], Roy Liew was a 20% direct shareholder of UDI. Please see Section 4.1.1(a) for further details of the Acquisition of UDI and the shareholding structures of UDI before and after the Acquisition of UDI.

He is a registered portable fire extinguisher competent person with the Bomba under the eFEIS. As a registered "competent person", he is certified to carry out service and maintenance of portable fire extinguishers. He had also completed the Competency for Servicing and Maintenance of Portable Fire Extinguisher in compliance with the MS 1539 (Training of Trainers) which allows him to train other persons as competent persons under eFEIS.

Please refer to Section 5.2.9 for details of Roy Liew's involvement in principal business activities outside our Group as at LPD. He does not have any directorships outside our Group at present and in the past five (5) years preceding the LPD. Please also see Section 5.7 of this Prospectus for details of the family relationship between the Promoters, substantial shareholders and Directors.

(vii) Ray Liew

Promoter, substantial shareholder and Key Senior Management

Ray Liew, Malaysian aged 33, is our Promoter and substantial shareholder. He is also one of our key senior management and holds the designation of Creative Director.

He graduated from LimKokWing University of Creative Technology with both a Diploma in Interactive and Multimedia Design in 2009 and a Bachelor of Arts (Hons) in Creative Multimedia in 2011.

He started his career with UFI in September 2011 as a Creative Designer responsible for digital marketing and branding of UFI. He was tasked to enhance UFI's online presence via our products website after he joined. In November 2018, he was promoted and appointed as a director of UFI, and held the designation of Director of Corporate Communication. He was redesignated as our Creative Director in August 2021, a position he holds till present. He is responsible for overseeing the Group's IT functions and IT infrastructure, digital marketing via social media platforms and e-commerce platforms, as well as creative design aspects (such as in our web design, marketing and advertising materials) of our Group's business.

He has also been a director of our subsidiary, UDI, since its incorporation in January 2018 and oversees design collaborations with our Group's customers for custom graphic designed fire extinguishers. Among others, his responsibilities include creating artwork and liaising with customers to develop and customize graphic designs and ideas for customers. Prior to the completion of the Acquisition of UDI on [date], Ray Liew was a 20% direct shareholder of UDI. Please see Section 4.1.1(a) for further details of the Acquisition of UDI and the shareholding structures of UDI before and after the Acquisition of UDI.

As at the LPD, Ray Liew does not have any principal business activities nor any directorships outside our Group at present and in the past five (5) years. Please also see Section 5.7 of this Prospectus for details of the family relationship between the Promoters, substantial shareholders and Directors.

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

5.1.3 Changes in our Promoters' and substantial shareholders' shareholdings

The changes in our Promoters' and substantial shareholders' shareholdings in our Company since incorporation to the LPD are as follows:

Promoters and substantial shareholders	As at 13 April 2021 (Date of incorporation)				As at 23 July 2021				As at the LPD			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	% ^(a)	No. of Shares	% ^(a)	No. of Shares	% ^(b)	No. of Shares	% ^(b)	No. of Shares	% ^(c)	No. of Shares	% ^{(c)*}
UFG ^(d)	-	-	-	-	-	-	-	-	-	-	-	-
Liew Sen Hoi	1,000	50	1,000	50 ^(e)	2,000	50 ^(e)	2,000	50 ^(e)	173,784,000	54.96	142,466,000	45.04 ^(f)
Lim Show Ching	1,000	50	1,000	50 ^(e)	2,000	50 ^(e)	2,000	50 ^(e)	15,792,400	5.00	173,784,000	54.96 ^(g)
Marcus Liew	-	-	-	-	-	-	-	-	31,668,400	10.01	-	-
Ryan Liew	-	-	-	-	-	-	-	-	31,668,400	10.01	-	-
Roy Liew	-	-	-	-	-	-	-	-	31,668,400	10.01	-	-
Ray Liew	-	-	-	-	-	-	-	-	31,668,400	10.01	-	-

Notes:

* Liew Sen Hoi is the spouse of Lim Show Ching, and Marcus Liew, Ryan Liew, Roy Liew and Ray Liew are their sons. Please see Section 5.7 of this Prospectus for further details of the family relationship between the Promoters, substantial shareholders and Directors.

(a) Based on our issued share capital of 2,000 Shares as at the date of incorporation.

(b) Based on our issued share capital of 4,000 Shares after allotment.

(c) Based on our issued share capital of 316,250,000 Shares after the Acquisition of UFI and UDI, but before our IPO.

(d) UFG's shareholders and their respective direct shareholdings are as follows: Liew Sen Hoi (55.00%); his spouse Lim Show Ching (5.00%); and their sons Marcus Liew (10.00%), Ryan Liew (10.00%), Roy Liew (10.00%) and Ray Liew (10.00%).

(e) Deemed interested by virtue of his/her spouse's direct shareholdings in Unique Fire.

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

(f) Deemed interested by virtue of his spouse's and his sons' direct shareholdings in Unique Fire.

(g) Deemed interested by virtue of her spouse's direct shareholdings in Unique Fire.

As at the LPD, our Promoters and substantial shareholders have the same voting rights with the other shareholders of our Group and there is no arrangement between Unique Fire and its shareholders with any third parties, the operation of which may at a subsequent date result in a change in control of our Company.

Save as disclosed above, we are not aware of any persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company.

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

5.1.4 Promoters and substantial shareholders' remuneration and benefits

Save for the aggregate remuneration and benefits paid or proposed to be paid to our Promoters and substantial shareholders for services rendered to our Group in all capacities for the FYE 2021 and FYE 2022 as set out in Section 5.4 of this Prospectus and dividends to our shareholders as set out in Section 11.8 of this Prospectus, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and substantial shareholders within the two (2) years preceding the date of this Prospectus.

5.2 DIRECTORS AND KEY SENIOR MANAGEMENT

5.2.1 Directors

Our Board comprises the following members:

Name	Age	Nationality	Date of appointment	Designation
Selma Enolil Binti Mustapha Khalil (F)	50	Malaysian	8 October 2021	Independent Non-Executive Chairperson
Liew Sen Hoi (M)	67	Malaysian	13 April 2021	Managing Director
Marcus Liew (M)	42	Malaysian	8 October 2021	Executive Director
Ryan Liew (M)	39	Malaysian	8 October 2021	Executive Director
Ir. Tee Kiam Hong (M)	53	Malaysian	8 October 2021	Independent Non-Executive Director
Olivia Lim (F)	42	Malaysian	8 October 2021	Independent Non-Executive Director
Andrea Huong Jia Mei (F)	39	Malaysian	8 October 2021	Independent Non-Executive Director

Notes:

(M) Male.

(F) Female.

None of our Directors represents any corporate shareholder on our Board.

For details on the association of family relationship between our Promoters, Directors and key senior management, please refer to Section 5.7 of this Prospectus.

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

5.2.2 Profile of Directors

Save for our Managing Director Liew Sen Hoi, and Executive Directors Marcus Liew and Ryan Liew whose profiles have been set out in Section 5.2.1 above, the profiles of our Directors are as follows:

(i) **Selma Enolil Binti Mustapha Khalil**
Independent Non-Executive Chairperson

Selma Enolil Binti Mustapha Khalil, Malaysian, aged 50, is our Independent Non-Executive Chairperson. She was appointed to our Board on 8 October 2021.

She graduated from University of Wales, Aberystwyth with a Bachelor of Laws in 1994. She obtained her Certificate in Legal Practice in 1995 and was called to the Malaysian Bar as an Advocate and Solicitor in 1996. She brings with her 25 years of experience in the legal profession and her key area of practice currently is corporate and commercial law.

In December 1996, she started her career as an Advocate and Solicitor with Messrs Abu Talib Shahrom & Zahari. She left Messrs Abu Talib Shahrom & Zahari in October 1998 to join TNB Repair and Maintenance Sdn Bhd (“**TNB Remaco**”) as a Legal Executive and was involved in legal advisory and contract review. TNB Remaco is a subsidiary of TNB, listed on the Main Market of Bursa Securities. She left TNB Remaco in June 2000 and resumed practicing law as an Advocate and Solicitor with Messrs Raslan Loong in July 2000. She left Messrs Raslan Loong in August 2003 and co-founded Messrs Enolil Loo, Advocates and Solicitors in September 2003, in which she is currently a Partner.

She presently sits on the board of directors of Selangor Dredging Berhad (since December 2018), Techbond Group Berhad (since January 2018) and Powerwell Holdings Berhad (since January 2019) as an independent non-executive director. Both Selangor Dredging Berhad and Techbond Group Berhad are companies listed on the Main Market of Bursa Securities while Powerwell Holdings Berhad is a company listed on the ACE Market of Bursa Securities. She is also a director of Ericson Foundation (since January 2011), a non-profit organization with a focus to create accessible palliative care for the underprivileged through financial and volunteer support. Please see Section 5.2.4 for further details of Selma’s directorships outside of our Group at present and in the past five (5) years preceding the LPD.

(ii) **Ir. Tee Kiam Hong**
Independent Non-Executive Director

Ir. Tee Kiam Hong, Malaysian, aged 53, is our Independent Non-Executive Director. He was appointed to our Board on 8 October 2021.

He obtained his Bachelor of Civil Engineering (Hons) and Competency Certificate in Financial Accounting from University of Malaya in 1993 and 2002, respectively and his Diploma in Project Management from Cambridge Assessment International Education, United Kingdom in 2002. He later attained his Master of Business Administration from Cardiff Metropolitan University, United Kingdom in 2015. He has also been a corporate member of the Institution of Engineers Malaysia since 1998 and a Professional Engineer with Practicing Certificate (Civil) registered with the Board of Engineers Malaysia since 1998. He is also an Affiliate member of The Institute of Corporate Directors Malaysia since 2019.

Upon graduation, in May 1993 he joined L&M Piling Sdn Bhd, a company involved in geotechnical and piling works, as an Executive Engineer responsible for geotechnical and piling design works. L&M Piling Sdn Bhd was then a subsidiary of L&M Corporation Berhad (“**L&M Corporation**”) (now known as Ageson Berhad, a company listed on the Main Market of Bursa Securities). He was later promoted to Project Manager in January 1996 where he was responsible to oversee site planning, execution, monitoring and handover of project sites to clients upon completion, and assigned to another L&M Corporation subsidiary, L&M Geotechnic Sdn Bhd. Within L&M Geotechnic Sdn Bhd, he held the positions of Technical and Planning Manager in December 1998 where he was responsible for project management, troubleshooting, liaising with project consultants and making decisions in relation to design

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

and technical elements on site, and Deputy Construction Manager in September 1999 where he was involved in the construction of Port of Tanjung Pelepas, Johor Bahru. He was subsequently transferred to the parent company, L&M Corporation and promoted as Senior Manager in May 2001, where he was involved in implementation of the company's corporate and debt restructuring scheme. He left L&M Corporation in December 2001.

In August 2001, while he was with L&M Corporation, he also took up the position of owner's representative at Totalap Sdn Bhd, a company involved in property development and turnkey construction. In January 2004, he was redesignated by Totalap Sdn Bhd as a Project Manager and later promoted as a Project Director in January 2015 and was primarily responsible for project investment appraisals, managements and implementations. In March 2018, he left Totalap Sdn Bhd. During the four (4) months transition period between August 2001 to December 2001 when he held positions both in L&M Corporation and Totalap Sdn Bhd, the consent of his employer L&M Corporation had been obtained to take up the position in Totalap Sdn Bhd. In carrying out both roles, his assignments did not involve any transactions between L&M Corporation and Totalap Sdn Bhd and as such did not give rise to any conflict of interests.

Subsequently in May 2018, he joined Archi Casaka Design Sdn Bhd ("**Archi Casaka Design**") as a shareholder and also assumed the position of Chief Strategy Officer/General Manager, a position he holds till present. Archi Casaka Design is principally involved in the business of aluminium, glass and steel works such as building envelope products and solutions specialising in unitised curtain wall systems. He is primarily responsible for overseeing Archi Casaka Design's corporate strategy, investment decision, financial position, business profitability, formulating business plans and growth strategies as well as implementing internal control measures and policies until present.

Please see Section 5.2.4 for further details of Ir. Tee's involvement in principal business activities, and directorships outside of our Group at present and in the past five (5) years preceding the LPD.

(iii) **Olivia Lim** *Independent Non-Executive Director*

Olivia Lim, Malaysian, aged 42, is our Independent Non-Executive Director. She was appointed to our Board on 8 October 2021.

Olivia Lim graduated in 2003 from Universiti Kebangsaan Malaysia with a Bachelor of Laws (Honours). Subsequently, she was called to the Malaysian Bar in February 2004. She brings with her 17 years of experience in the legal profession.

She started her career when she joined Messrs. Zul Rafique & Partners in March 2004 as a Legal Assistant before joining Messrs. Ben & Partners as a Legal Assistant in March 2008. Subsequently, she was made a Partner of the firm in January 2012. In September 2015, she left Messrs. Ben & Partners and set up her own legal firm, Messrs. Olivia Lim & Co in October 2015. She has held the position of Managing Partner of the firm since then and has been principally involved in the legal aspects of corporate finance, capital and equity markets and corporate advisory matters.

Throughout her working experience, she has been involved in, among others, various legal due diligence exercises on companies undertaking initial public offerings in Malaysia, Shenzhen Stock Exchange, and Hong Kong Exchanges and Clearing Limited as well as legal advisory services related to capital and equity raising exercises and takeovers.

Olivia also sits on the board of directors of Samaiden Group Berhad (since December 2019), a company listed on the ACE Market of Bursa Securities, as an independent non-executive director. She is also an independent non-executive director of Infoline Tec Group Berhad

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

(since November 2021), a non-listed public company seeking listing on the ACE Market of Bursa Securities as at [the date of this Prospectus].

Please see Section 5.2.4 for further details of Olivia's involvement in principal business activities, and directorships outside of our Group at present and in the past five (5) years preceding the LPD.

(iv) Andrea Huang Jia Mei
Independent Non-Executive Director

Andrea Huang Jia Mei, Malaysian, aged 39, is our Independent Non-Executive Director. She was appointed to our Board on 8 October 2021.

She completed her Diploma in Commerce (Financial Accounting) in 2003 and obtained an Advanced Diploma in Commerce (Financial Accounting) in 2005 from Tunku Abdul Rahman College, Malaysia (now known as Tunku Abdul Rahman University College). She became a member of the Association of Chartered Certified Accountants ("**ACCA**"), United Kingdom in 2011. She has been a Chartered Accountant of the Malaysian Institute of Accountants since 2018.

She started her career as an Audit Assistant with Sha, Tan & Co in October 2005, and was promoted to Audit Semi-Senior in January 2007. She was subsequently promoted and held the post of Audit Senior between January 2008 and July 2011, where she was responsible for audit assignments of private and public listed companies. Between July 2011 to September 2014, she was on a career break. In September 2014, she was appointed as a director of T & S Secretarial Services Sdn Bhd and held this directorship until March 2021. T & S Secretarial Services Sdn Bhd is involved in the provision of secretarial and management services.

She is currently a director of T&S Boardroom Sdn Bhd (since July 2020), a company which provides secretarial support services. She is also a director of several private limited companies providing secretarial, tax, accounting and consultancy services, as disclosed in Section 5.2.4 of this Prospectus. Andrea is also currently an independent non-executive director of Siab Holdings Berhad (since June 2021), a company listed on the ACE Market of Bursa Securities, Ecoscience International Berhad (since August 2021) and Yew Lee Pacific Group Berhad (since August 2021), respectively, which are non-listed public companies as at the LPD. Both Ecoscience International Berhad and Yew Lee Pacific Group Berhad are currently seeking listing on the ACE Market of Bursa Securities. Please see Section 5.2.4 for further details of Andrea's involvement in principal business activities, and directorships outside of our Group at present and in the past five (5) years preceding the LPD.

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

5.2.3 Directors' shareholdings

The direct and indirect shareholdings of our Directors as at the LPD and after our IPO are as follows:

Directors	Before our IPO / As at the LPD				After our IPO and Share Transfer to UFG ^(c)			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ^(a)	No. of Shares	% ^{(a)*}	No. of Shares	% ^(b)	No. of Shares	% ^{(b)*}
Selma Enolil Binti Mustapha Khalil	-	-	-	-	250,000	0.06	-	-
Liew Sen Hoi	173,784,000	54.96	142,466,000	45.04 ^(d)	18,208,408	4.56	268,041,592	67.00 ^(e)
Marcus Liew	31,668,400	10.01	-	-	4,010,398	1.00	-	-
Ryan Liew	31,668,400	10.01	-	-	4,010,398	1.00	-	-
Ir. Tee Kiam Hong	-	-	-	-	250,000	0.06	-	-
Olivia Lim	-	-	-	-	250,000	0.06	-	-
Andrea Huong Jia Mei	-	-	-	-	250,000	0.06	-	-

Notes:

* Liew Sen Hoi is the spouse of Lim Show Ching, and Marcus Liew, Ryan Liew, Roy Liew and Ray Liew are their sons. Please see Section 5.7 of this Prospectus for further details of the family relationship between the Promoters, substantial shareholders and Directors.

(a) Based on our issued share capital of 316,250,000 Shares after the Acquisition of UFI and UDI but before our IPO.

(b) Based on our enlarged issued share capital of 400,000,000 Shares after our IPO.

(c) Assuming our Directors will fully subscribe for their respective allocation under the Pink Form Allocation.

(d) Deemed interested by virtue of his spouse's and his sons' direct shareholdings in Unique Fire.

(e) Deemed interested by virtue of his sons' direct shareholdings in Unique Fire, as well as Section 8(4) of the Act through his shareholding of more than 20% in UFG. See Note (f) below for further details.

(f) UFG's shareholders and their respective direct shareholdings are as follows: Liew Sen Hoi (55.00%); his spouse Lim Show Ching (5.00%); and their sons Marcus Liew (10.00%), Ryan Liew (10.00%), Roy Liew (10.00%) and Ray Liew (10.00%).

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

5.2.4 Principal business activities and directorships in other corporations outside of our Group for the past five (5) years

Save as disclosed below, none of our Directors have any principal business activities and directorships in any other corporations outside of our Group, at the present and in the past five (5) years preceding the LPD:

(i) Selma Enolil Binti Mustapha Khalil

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
<u>Present Directorships</u>					
Ericson Foundation	Director	27 January 2011	N/A	Nil	To receive and administer funds for public charitable purposes, to foster develop and improve education of all kinds, to assist and aid in relieve the sickness and suffering of people with life limiting conditions and their families and carers.
Techbond Group Berhad ⁽¹⁾	Independent Non-Executive Director / Shareholder	2 January 2018	N/A	Direct: 0.04	Investment holding of companies involved in the development, manufacture and trading of industrial adhesives and sealants, providing supporting products and services, and management services
Powerwell Holdings Berhad ⁽²⁾	Independent Non-Executive Director / Shareholder	7 January 2019	N/A	Direct: 0.02	Investment holding of companies involved in the design, manufacturing and trading of electricity distribution products comprising low voltage switchboards, medium voltage switchgears and related products.

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

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Selangor Dredging Berhad ⁽¹⁾	Independent Non-Executive Director	31 December 2018	N/A	Nil	Provision of management services, investment holding of companies involved in among others property support services, property management services, trading and installation of energy efficient products, property development, investment in property, property development; and property leasing

Past Directorships

LKL International Berhad ⁽²⁾	Independent Non-Executive Director / Shareholder	23 July 2015	13 October 2020	Nil	Investment holding of companies involved in provision of medical/healthcare beds, peripheral and accessories, trading in hospital furniture, laboratory furniture, medical equipment, medical peripherals and accessories, providing management and advisory services, distribution of pharmaceutical products.
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Notes:

- (1) A company listed on the Main Market of Bursa Securities.
- (2) A company listed on the ACE Market of Bursa Securities.

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

<u>Company</u>	<u>Position held</u>	<u>Date appointed as Director</u>	<u>Date resigned as Director</u>	<u>Direct and indirect equity interest (%)</u>	<u>Principal activities</u>
<u>Past Directorships</u>					
Fiex Engineering Sdn Bhd	Director	29 June 2003	11 September 2020	Nil	Fire protection engineering work contractor.
Unique Fire Manufacturing Sdn Bhd	Director	7 March 2007	N/A	Nil	Struck off. ⁽¹⁾

Note:

- (1) Unique Fire Manufacturing Sdn Bhd had not been carrying on business since 1 January 2016 and the directors and shareholders of the company as such had resolved to strike off the company as the company has no intention to carry on its business in the future. Prior to being dormant, the company was involved in the manufacture of firefighting equipment and related products. The dissolution of the company took effect on 10 January 2022 with the publication of the striking off in the gazettes.

(iii) Marcus Liew

<u>Company</u>	<u>Position held</u>	<u>Date appointed as Director</u>	<u>Date resigned as Director</u>	<u>Direct and indirect equity interest (%)</u>	<u>Principal activities</u>
<u>Other business involvement outside our Group</u>					
Sutera Avenue Hotel Management Sdn Bhd	Shareholder	N/A	N/A	Direct: 10	Hotel management, investment holding (in property) and cleaning services.
Unique Fire Manufacturing Sdn Bhd	Director	7 March 2007	N/A	Direct: 20	Struck off. ⁽¹⁾

Note:

- (1) Unique Fire Manufacturing Sdn Bhd had not been carrying on business since 1 January 2016 and the directors and shareholders of the company as such had resolved to strike off the company as the company has no intention to carry on its business in the future. Prior to being dormant, the company was involved in the manufacture of firefighting equipment and related products. The dissolution of the company took effect on 10 January 2022 with the publication of the striking off of the gazettes.

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

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
<u>Present Directorships</u>					
Beyond Prestige Realty Sdn Bhd	Director / Shareholder	24 April 2018	N/A	Direct: 20	Real estate activities with own or leased property, growing of oil palm (smallholdings), and buying, selling, renting and operating of self-owned or leased real estate – non-residential buildings.
Infinity Wealth Realty Sdn Bhd	Director / Shareholder	23 April 2018	N/A	Direct: 20	Real estate activities with own or leased property, growing of oil palm (smallholdings), and buying, selling, renting and operating of self-owned or leased real estate – non-residential buildings.
Integrated Brilliant Realty Sdn Bhd	Director / Shareholder	24 April 2018	N/A	Direct: 20	Real estate activities with own or leased property, growing of oil palm (smallholdings), and buying, selling, renting and operating of self-owned or leased real estate – non-residential buildings.
<u>Past Directorships</u>					
Cfyre Protection Sdn Bhd	Director	5 April 2019	24 March 2021	Nil	To carry on the business of firefighting and prevention and general engineering works, servicing, repairing, installing and maintaining of machinery goods, engineering and industrial equipment and supplies.

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

<u>Company</u>	<u>Position held</u>	<u>Date appointed as Director</u>	<u>Date resigned as Director</u>	<u>Direct and indirect equity interest (%)</u>	<u>Principal activities</u>
<u>Other business involvement outside our Group</u>					
Luminari Property Berhad	Shareholder	N/A	N/A	Direct: 0.13 (preference shares)	Investment holding (in property) and management of private retreat villas.
SLMR Venture PLT	Partner	28 September 2021 (Date appointed as Partner)	N/A	N/A	Growing of oil palm (small holdings), real estate activities with own or leased property.

(v) Ir. Tee Kiam Hong

<u>Company</u>	<u>Position held</u>	<u>Date appointed as Director</u>	<u>Date resigned as Director</u>	<u>Direct and indirect equity interest (%)</u>	<u>Principal activities</u>
<u>Previous Directorships</u>					
Archi Casaka Group Sdn Bhd	Director	12 June 2018	10 October 2019	Nil	Dormant. ⁽¹⁾
<u>Other business involvement outside our Group</u>					
Archi Casaka Design Sdn Bhd	Shareholder	N/A	N/A	Direct: 7.56	Engaged as contractor for aluminium, glass and steel works.

Note:

- (1) Archi Casaka Group Sdn Bhd has remained dormant since its incorporation on 27 March 2018 and there is no immediate plan for this company currently. The company's intended principal activity was investment holding activities.

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

(vi) Olivia Lim

<u>Company</u>	<u>Position held</u>	<u>Date appointed as Director</u>	<u>Date resigned as Director</u>	<u>Direct and indirect equity interest (%)</u>	<u>Principal activities</u>
<u>Present Directorships</u>					
Etika Samudra Sdn Bhd	Director / Shareholder	1 October 2012	N/A	Direct: 24.98 Indirect: 75.02 ⁽²⁾	Trading and information technology services.
Samaiden Group Berhad ⁽¹⁾	Independent Non-Executive Director	16 December 2019	N/A	Nil	Investment holding with subsidiary companies, principally involved in engineering, procurement, construction, and commissioning of solar photovoltaic systems and power plants, provision of renewable energy and environmental consulting services, and operations and maintenance services.
Infoline Tec Group Berhad ⁽³⁾	Independent Non-Executive Director	1 November 2021	N/A	Nil	Investment holding company while its subsidiaries are principally involved in providing IT infrastructure solutions, cybersecurity solutions, managed IT and other IT services, and trading of ancillary hardware and software.

Notes:

- (1) A company listed on the ACE Market of Bursa Securities.
- (2) Deemed interested by virtue of her spouse's direct shareholdings in the company.
- (3) A non-listed public company seeking listing on the ACE Market of Bursa Securities as at the [date of the Prospectus].

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

(vii) **Andrea Huong Jia Mei**

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
<u>Present Directorships</u>					
T&S Advisors Sdn Bhd	Director / Shareholder	18 September 2014	N/A	Direct: 35 Indirect: 65 ⁽¹⁾	Provision of advisory, consultancy and marketing services in insolvencies, mergers and acquisition, corporate recovery, corporate restructuring, initial public offering, secretarial work and tax planning.
KK Sha Consulting Sdn Bhd	Director / Shareholder	24 October 2014	N/A	Direct: 50 Indirect: 50 ⁽¹⁾	Provision of goods and services tax, accountancy and corporate management services.
Sha Tax Services Sdn Bhd	Director	10 June 2018	N/A	Indirect: 90 ⁽¹⁾	Provision of taxation, accounting, and corporate management services.
AK Bizz Platform Sdn Bhd	Director / Shareholder	9 March 2020	N/A	Direct: 50	Provision of business management consultancy services, accounting, bookkeeping and auditing activities and tax consultancy.
T&S Boardroom Sdn Bhd	Director / Shareholder	30 July 2020	N/A	Direct: 100	Provision of secretarial support services.
Siab Holdings Berhad ⁽³⁾	Director	24 June 2021	N/A	Nil	Investment holding, while its subsidiaries are principally involved in the provision of building construction services and other complementary services such as information and communications technology solutions and services.

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

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
Ecoscience International Berhad ⁽²⁾	Director	2 August 2021	N/A	Nil	Activities of holding companies while its subsidiaries are principally involved in construction of plants and facilities, fabrication of equipment, supply of materials and equipment, fabrication and supply of energy and environmental related equipment, supply of spare parts and construction materials and provision of maintenance services.
Yew Lee Pacific Group Berhad ⁽²⁾	Director	6 August 2021	N/A	Nil	Investment holding company while its subsidiaries are principally involved in manufacturing of industrial brushes and trading of industrial hardware and machinery parts.
T&S Governance Sdn Bhd	Director/ Shareholder	5 October 2021	N/A	Direct: 100	Provision of advisory on internal audit.
<u>Past Directorships</u>					
T & S Secretarial Services Sdn Bhd	Director	3 September 2014	12 March 2021	Nil	Provision of secretarial and management services.

Notes:

- (1) Deemed interested by virtue of her spouse's direct shareholdings in the company.
- (2) A non-listed public company seeking listing on the ACE Market of Bursa Securities as at the [LPD].
- (3) A company listed on the ACE Market of Bursa Securities.

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

5.2.5 Involvement of our Executive Directors in other businesses or corporations

Save as disclosed in Section 5.2.4 of this Prospectus, our Executive Directors are not involved in other businesses or corporations. Their involvement in other businesses or corporations is not expected to affect the operations of our Group as their involvement in the companies set out above are minimal as these companies are either investment holding of shares or property or inactive. In addition, save for Unique Fire Manufacturing Sdn Bhd which is in the process of striking off as at the LPD, they do not hold executive positions in the companies or the limited liability partnership set out above. The day-to-day management and operations of these businesses or corporations are managed by their own independent management teams. Their present involvement in the businesses or corporations set out in Section 5.2.4 of this Prospectus does not give rise to any conflict or potential conflict of interest with our business. Hence, our Board is of the view that this would not affect their contribution and performance in our Group.

5.2.6 KEY SENIOR MANAGEMENT

Our key senior management comprises the following:

Name	Age	Nationality	Date of appointment to current position	Designation
Roy Liew (M)	36	Malaysian	1 August 2021 ⁽¹⁾	Operation Director
Ray Liew (M)	33	Malaysian	1 August 2021 ⁽²⁾	Creative Director
Cheow Zi Ying (F)	39	Malaysian	1 September 2021 ⁽³⁾	Chief Financial Officer
Tan Hoay Ling (F)	40	Malaysian	1 July 2014 ⁽⁴⁾	Supply Chain Manager
Mohamad Azmir Bin Ramli (M)	46	Malaysian	1 September 2021 ⁽⁵⁾	Quality Assurance and Control Manager

Notes:

(M) Male.

(F) Female.

(1) Roy Liew first joined our Group on 15 November 2007 as a Business Development Manager of UFI.

(2) Ray Liew first joined our Group on 1 September 2011 as a Creative Designer of UFI.

(3) Cheow Zi Ying first joined our Group on 5 February 2018 as an Accounts Manager of UFI.

(4) Tan Hoay Ling first joined our Group on 1 July 2014 as a Supply Chain Manager of UFI.

(5) Mohamad Azmir Bin Ramli first joined our Group in 1 September 2010 as Quality Assurance and Control Senior Officer of UFI.

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

5.2.7 Key senior management's shareholdings

The direct and indirect shareholdings of our key senior management in our Company as at the LPD and after our IPO are as follows:

Key senior management	Before our IPO / As at the LPD				After our IPO and Share Transfer to UFG ^(b)			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ^(a)	No. of Shares	% ^(a)	No. of Shares	% ^(c)	No. of Shares	% ^(c)
Roy Liew	31,668,400	10.01	-	-	4,010,398	1.00	-	-
Ray Liew	31,668,400	10.01	-	-	4,010,398	1.00	-	-
Cheow Zi Ying	-	-	-	-	120,000	0.03	-	-
Tan Hoay Ling	-	-	-	-	120,000	0.03	-	-
Mohamad Azmir Bin Ramli	-	-	-	-	120,000	0.03	-	-

Notes:

- (a) Based on our issued share capital of 316,250,000 Shares after the Acquisition of UFI and UDI but before our IPO.
- (b) Assuming that all the Pink Form Allocation is fully subscribed.
- (c) Based on our enlarged issued share capital of 400,000,000 Shares after our IPO.

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

5.2.8 Profile of key senior management

Save for Roy Liew and Ray Liew whose profiles are set out in Sections 5.1.2(vi) and (vii) of this Prospectus, the profiles of the key senior management of our Group are as follows:

(i) Cheow Zi Ying
Chief Financial Officer

Cheow Zi Ying, Malaysian, aged 39, is our Chief Financial Officer.

She obtained a Bachelor of Business (Accounting / Finance) from Charles Sturt University, Australia in 2004. She was certified as a Certified Practising Accountant by CPA Australia in 2008. She was admitted as a Chartered Accountant of Malaysian Institute of Accountants in 2020.

Her career started in December 2004 when she joined Deloitte KassimChan (now known as Deloitte PLT) as a Staff Assistant with the Audit Division. In August 2006, she left Deloitte KassimChan and joined APL-NOL (M) Sdn Bhd in September 2006 as a Senior Analyst - General Ledger where she handled finance and tax related matters for the company. She left a year later and joined F&N (M) Sdn Bhd in September 2007 as an Accounts Executive (Shared Service Centre Finance) and was promoted to the position of Accountant (Shared Service Centre Finance) in April 2010 where she was responsible for finance and accounting related functions including among others analysing and preparing periodical reports and statutory accounts, liaising with external auditors of the company, as well as overseeing and coordinating tax related submissions. From July 2011 to December 2017, she held the positions of Legal Entity Accountant and subsequently Country Field Finance Accountant in Air Products Shared Services Sdn Bhd where her responsibilities included maintaining accounting records, preparation of local Generally Accepted Accounting Principles (GAAP) statutory reporting and financial statements, liaising with tax consultants on tax related matters and submissions.

She joined UFI as an Accounts Manager in February 2018 and is responsible for managing our Group's finance and accounting functions, including preparing and ensuring compliance of UFI and UDI's accounts with applicable accounting standards, preparing financial forecasts, maintaining accounting control functions and overall management of UFI and UDI's tax related matters. She was redesignated as our Chief Financial Officer on 1 September 2021 and continues to oversee the accounts division and financial management, including managing budgeting, reporting, treasury and tax matters.

(ii) Tan Hoay Ling
Supply Chain Manager

Tan Hoay Ling, Malaysian, aged 40, is our Supply Chain Manager.

She obtained a Bachelor of Science (BioIndustry) from University Putra Malaysia in 2005.

After her graduation, she began her career with Top Glove Sdn Bhd as a Manager – Packing & Warehouse in May 2005, where her responsibilities included conducting capacity analysis, participating in production planning and inventory management. She assisted the company in identifying operational issues and efficiencies, and formulating centralised order planning to increase production efficiency. She also supervised and coached warehouse personnel.

She left Top Glove Sdn Bhd in May 2014 to join UFI in July 2014 as our Supply Chain Manager and is in charge of our warehouse and inventory management, overseeing our purchasing and planning our production, distribution, participating in negotiations with our suppliers, as well as analysing order trends and sales forecasts.

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

(iii) Mohamad Azmir Bin Ramli
Quality Assurance and Control Manager

Mohamad Azmir Bin Ramli, Malaysian, aged 46, is our Quality Assurance and Control Manager. His responsibilities include monitoring QC activities, product certifications and the manufacturing process.

He obtained an Executive Diploma in Manufacturing Management from University Utara Malaysia in 2012.

He began his career with Hicom Yamaha Sdn Bhd as a Assembly Operator in December 1992, where he was part of the assembly line for motorcycle engines. He left Hicom Yamaha Sdn Bhd in February 1993 and subsequently in April 1993, he joined Lion Seating Sdn Bhd, a furniture manufacturing company, as an Assistant CNC (computer numerical control) Programmer Machine Operator where he was responsible for arranging materials for production planning, preparing numerical control programmes for CNC machine programming for turret punch machines, and verifying conformity of finished products to design specifications. He left Lion Seating Sdn Bhd in August 1995 to join Steel Recon Industries Sdn Bhd ("SRI") as a Senior Executive, Quality Assurance where he was involved in overseeing QC processes of fire protection products (including fire extinguishers, fire hose reels, cabinets), research and development of products, preparation of technical drawings for products and parts, liaising with internal and external auditors for product certification and testing, as well as liaising with suppliers on product quality.

After he left SRI in March, 2010, he took up the position of Quality Assurance and Control Senior Officer of UFI in September 2010. In February 2017, he was promoted to the position of Assistant Quality Assurance Manager of UFI. He was redesignated as our Quality Assurance and Control Manager in September 2021. He is in charge of overseeing our QC activities including inspection of records, product testing, calibration and equipment testing, as well as monitoring the production to ensure the process is in accordance with applicable quality standards. He is also responsible for coordinating product certifications, product quality improvement, investigating into defective products as well as customer complaints and following up on necessary corrective actions.

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

5.2.9 Involvement of our key senior management in other businesses / corporations

Save as disclosed below, none of our key senior management has any principal business activities outside our Group as at the LPD, nor do they have directorships outside of our Group, at the present and in the past five (5) years preceding the LPD:

(i) Cheow Zi Ying

Company	Position held	Date appointed as Director	Date resigned as Director	Direct and indirect equity interest (%)	Principal activities
JSolid (M) Sdn Bhd	Director / Shareholder	19 September 2014	N/A	Direct: 20	Engaged in trading of lighting systems and electrical equipment and also providing mechanical and electrical engineering services.

The involvement of our key senior management set out above in other business activities outside our Group will not affect their contributions to our Group and would not be expected to affect the operations of our Group. In addition, their present involvement in the businesses or corporations set out above does not give rise to any conflict or potential conflict of interest with our business. Our Chief Financial Officer Cheow Zi Ying does not hold any executive position in JSolid (M) Sdn Bhd and is not involved in its day-to-day management and operations as it has its own independent management team.

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

5.3 BOARD PRACTICES

5.3.1 Directorship

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

Name	Designation	Date of expiration of the current term of office ⁽¹⁾	Approximately no. of years and months in office
Selma Enolil Binti Mustapha Khalil	Independent Non-Executive Chairperson	Subject to retirement by rotation at our first AGM	Less than one month
Liew Sen Hoi	Managing Director	Subject to retirement by rotation at our first AGM	Less than one month
Marcus Liew	Executive Director	Subject to retirement by rotation at our first AGM	Less than one month
Ryan Liew	Executive Director	Subject to retirement by rotation at our first AGM	Less than one month
Ir. Tee Kiam Hong	Independent Non-Executive Director	Subject to retirement by rotation at our first AGM	Less than one month
Olivia Lim	Independent Non-Executive Director	Subject to retirement by rotation at our first AGM	Less than one month
Andrea Huong Jia Mei	Independent Non-Executive Director	Subject to retirement by rotation at our first AGM	Less than one month

Note:

(1) In accordance with our Constitution, an election of Directors shall take place each year at the AGM of our Company where one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office once at least in each three (3) years and shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Our Board acknowledges and takes cognisance of the Malaysian Code on Corporate Governance (“MCCG”) which contains best practices and guidance for listed companies to improve upon or to enhance their corporate governance as it forms an integral part of their business operations and culture. Our Board believes that our current Board composition provides an appropriate balance in terms of skills, knowledge and experience to promote the interest of all shareholders and to govern our Group effectively. Our Company has adopted the recommendations under the MCCG to have a Board comprising a majority of Independent Non-Executive Directors, that our chairperson of the Board should not be a member of our Audit and Risk Management Committee, Nomination Committee or Remuneration Committee, and to have at least 30% women directors on our Board.

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

5.3.2 Audit and Risk Management Committee

Our Audit and Risk Management Committee was established on 5 November 2021 and its members are appointed by our Board. Our Audit and Risk Management Committee comprises the following members:

Name	Designation	Directorship
Andrea Huong Jia Mei	Chairperson	Independent Non-Executive Director
Ir. Tee Kiam Hong	Member	Independent Non-Executive Director
Olivia Lim	Member	Independent Non-Executive Director

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its oversight responsibilities relating to accounting and reporting practices as well as risk management policies and strategies and sustainability initiatives of our Group. Our Audit and Risk Management Committee has full access to both internal and external auditors who in turn have access at all times to the chairperson of our Audit and Risk Management Committee.

The key duties and responsibilities of our Audit and Risk Management Committee include, amongst others, the following:

- (a) to review the engagement, compensation, performance, qualification and independence of the external auditors, its conduct of the annual statutory audit of the financial statements, and the engagement of external auditors for all other services;
- (b) to assess the suitability, objectivity and independence of the external auditors, including obtaining written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;
- (c) to establish, review and approve a policy on non-audit services which may be rendered by the external auditors and/or their affiliates, including the conditions and procedures which must be adhered to by the external auditors and/or their affiliates in the provision of such services;
- (d) to approve the non-audit services provided by the external auditors and/or their affiliates;
- (e) to review and recommend the quarterly and annual financial statements for approval by our Board before announcement to regulatory bodies, focusing particularly on:
 - any changes in or implementation of major accounting policies and practices;
 - significant matters highlighted, including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
 - going concern assumption; and
 - compliance with accounting standards and other regulatory or legal requirements;
- (f) to discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss (in the absence of management, where necessary);
- (g) to review and monitor any related party transaction/business dealings entered into by our Company and our Group and any conflict of interest situation that may arise within our Company and our Group, including any transaction, procedure or course of conduct that raises the questions of management integrity;

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

- (h) to oversee and recommend the risk management and internal control framework of our Group;
- (i) to review and recommend changes as needed to ensure that our Group has in place at all times a risk management policy which address the strategies, operational, financial and compliance risk;
- (j) to implement and maintain a sound risk management framework which identifies, assesses, manages and monitors our Group's business risks;
- (k) to reporting guidelines for our Management to report to the committee on the effectiveness of our Group's management of its business risks;
- (l) to review the risk profile of our Group and to evaluate the measure taken to mitigate the business risks;
- (m) to review the adequacy of our Management's response to issues identified to risk registers, ensuring that the risks are managed within our Group's risk appetite;
- (n) to perform the oversight function over the administration of whistleblowing policy that is approved and adopted by our Board and to protect the values of transparency, integrity, impartiality and accountability where our Group conducts its business and affairs;
- (o) to enhance its accountability in preserving its integrity and to withstand public scrutiny which in turn enhances and builds our Group's credibility to all the stakeholders;
- (p) to consider the major findings of internal investigations and our Management's response;
- (q) to do the following, in relation to the internal audit function:
 - consider and approve the appointment of the internal auditors, the internal audit fee and any question of resignation or dismissal;
 - review the adequacy of the scope, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - review the internal audit plan and results of the internal audit assessments and investigation undertaken, and ensure that appropriate action is taken on the recommendations of the internal auditors;
 - consider the internal audit reports and findings by the internal auditors, fraud investigations and actions and steps taken by our management in response to audit findings;
 - review and decide on the budget allocated to the internal audit function;
 - appraise or assess the performance of members of the internal audit function; and
 - monitor the overall performance of our Company's internal audit function;
- (r) to do the following, in relation to the risk management:
 - monitor and ensure risk management processes are integrated into all core business processes;
 - periodically review risk management infrastructure and risk management policies adopted by our Group, if any;

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

- update our Board on risk management activities and make the necessary recommendations to our Board on risk management and internal controls, as needed; and
 - assist our Board in disclosing risk management and internal control matters under the Statement on Risk Management and Internal Control for inclusion in our Company's Annual Report;
- (s) to do the following, in relation to the sustainability:
- to review the implementation of our Group's sustainability-related strategies and initiatives;
 - to monitor the establishment and maintenance of a process, including controls, policies and procedures, for the systematic identification, assessment, prioritisation, management, monitoring and reporting of our Group's material economic, environmental and social risks and opportunities; and
 - to assist our Board pertaining to disclosures in the Sustainability Statement for inclusion in our Company's Annual Report;
- (t) to verify the allocation of Employees' Share Option Scheme ("**ESOS**") in compliance with the criteria as stipulated in the by-laws of ESOS of our Company, if any; and
- (u) to perform such other functions as may be requested by our Board.

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

5.3.3 Nomination Committee

Our Nomination Committee was established on 5 November 2021 and its members are appointed by our Board. Our Nomination Committee comprises the following members:

Name	Designation	Directorship
Olivia Lim	Chairperson	Independent Non-Executive Director
Ir. Tee Kiam Hong	Member	Independent Non-Executive Director
Andrea Huang Jia Mei	Member	Independent Non-Executive Director

The main function of our Nomination Committee is to assist our Board in fulfilling its responsibility in nominating new nominees to our Board and Board Committees and ensure their compositions meet the needs of our Company, and to lead the succession planning of our Board members and assess the performance of our Board and individual Directors of our Company on an on-going basis.

The duties and responsibilities of our Nomination Committee include, amongst others, the following:

- (a) to formulate and review the policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of our Company;

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

- (b) to source, identify, review and recommend candidates for appointment to our Board and Board Committees, which is led by the Chairperson of our Nomination Committee, taking into consideration the optimum and effective size of our Board and the candidates:
- character, competency, knowledge and experience;
 - professionalism;
 - integrity and credibility;
 - time commitment, particularly his number of other directorships; and
 - in the case of the candidates for the position of Independent Non-Executive Directors, the Nomination Committee would also evaluate the candidates' ability to discharge such responsibilities or functions as expected from Independent Non-Executive Directors.
- (c) to recommend the re-election of Directors who are due to retire in accordance with our Company's Constitution;
- (d) to assess the independence of each of the Independent Directors annually to ensure he/she is continually fit and still can maintain independence in order to assume their role as Independent Director of our Company;
- (e) to assess on an annual basis, appointment and re-appointment of Independent Directors. The tenure of an Independent Director should not exceed cumulative term of nine (9) years. After a cumulative term of nine (9) years, an Independent Director may continue to serve on our Board as a Non-Independent Director. However, if our Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek shareholders' approval annually through a two-tier voting process;
- (f) to consider, in making its recommendations, candidates for directorships and, within the bounds of practicability, by any other senior executive or any Director or Major Shareholder and to take steps to ensure that gender, ethnicity and age group diversity are considered as part of its recruitment exercise;
- (g) to establish and review the performance criteria to evaluate the performance of our Board, Board Committees and each individual Director;
- (h) to recommend to our Board the nominees to fill the seats on Board Committees;
- (i) to assess the effectiveness of our Board and Board Committees as a whole and each individual Director of our Board. The evaluation of our Board includes a review of the Board's performance in addressing our Group's material sustainability risk and opportunities. All assessments and evaluations carried out by our Nomination Committee in the discharge of all its functions would be properly documented;
- (j) to ensure that all Directors receive appropriate continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the marketplace and with changes in new statutory and regulatory requirements;
- (k) to review the terms of office and performance of our Audit and Risk Management Committee and each of its members annually to determine whether such Audit and Risk Management Committee and its members have carried out their duties in accordance with the terms of reference;

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

- (l) to assist our Board in assessing and evaluating circumstances where a Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's businesses, upon receiving declaration of the same from the Director and thereafter, to inform the Audit and Risk Management Committee of the same. After deliberation with the Audit and Risk Management Committee, to recommend to our Board the necessary actions to be taken in circumstances where there is a conflict of interest;
- (m) to formulate and review the nomination, selection and succession policies and plans for members of our Board, Board Committees and senior management;
- (n) to act in line with the directions of our Board;
- (o) to consider and examine such other matters as our Nomination Committee considers appropriate; and
- (p) to consider any other relevant matters as delegated by our Board.

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

5.3.4 Remuneration Committee

Our Remuneration Committee was established on 5 November 2021 and its members are appointed by our Board. Our Remuneration Committee comprises the following members:

Name	Designation	Directorship
Ir. Tee Kiam Hong	Chairman	Independent Non-Executive Director
Olivia Lim	Member	Independent Non-Executive Director
Andrea Huong Jia Mei	Member	Independent Non-Executive Director

The main function of our Remuneration Committee is to assist our Board in fulfilling its responsibility on matters relating to our Group's compensation, bonuses, incentives and benefits.

The duties and responsibilities of our Remuneration Committee include, amongst others, the following:

- (a) to formulate and recommend a framework of remuneration for our Managing Director, Executive Directors and key senior management for our Board's approval. There should be a balance in determining the remuneration package, which takes into account the demands, complexities and performance of our Group as well as skills and experience required; and which should be sufficient to attract and retain the Directors of calibre, and yet not excessive. The framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefit-in-kind;
- (b) to recommend specific remuneration packages for our Managing Director, Executive Directors and key senior management. The remuneration package should be structured such that it is competitive. Salary scales drawn up should be within the scope of the general business policy and not be dependent on short-term performance to avoid incentives for excessive risk-taking. As for the Non-Executive Directors and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of our Board;
- (c) to ensure the remuneration policies and practices appropriately reflect the different roles and responsibilities of Executive Directors, Non-Executive Directors and key senior management;

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

- (d) to review and assess the remuneration packages for the Directors and key senior management in all forms, drawing advice from experts, if necessary. The remuneration packages shall be determined on the basis of the Directors' and key senior management's merit, qualification and competences, while having regard to our Group's operating results, individual performance and comparable market statistics, which are aligned with the business strategy and long-term objectives of our Group. In addition, the performance of our Group in managing material sustainability risks and opportunities should also be considered;
- (e) to ensure the remuneration and incentives for Independent Directors should not conflict with their obligation in bringing objectivity and independent judgment on matters discussed;
- (f) to recommend matters relating to the remuneration of the Directors and key senior management of our Group for our Board's consideration and decision.
- (g) to act in line with the directions of our Board;
- (h) to consider and examine such other matters as the Remuneration Committee considers appropriate; and
- (i) to consider any other relevant matters as delegated by the Board.

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

5.4 REMUNERATION OF DIRECTORS AND KEY SENIOR MANAGEMENT

5.4.1 Directors' Remuneration and material benefits in-kind

The details of the remuneration and material benefits in-kind paid and proposed to be paid to our Directors for services rendered to our Group in all capacities for the FYE 2021 and FYE 2022 are as follows:

FYE 2021 (Actual)	Fees RM'000	Salary RM'000	Bonus and Allowances RM'000	Statutory Contributions (EPF, SOCSO and EIS) RM'000	Benefits in-kind RM'000	Total RM'000
<u>Managing Director</u>						
Liew Sen Hoi	-	410	-(2)	-	69	479
<u>Executive Directors</u>						
Marcus Liew	-	255	-(2)	31	25	311
Ryan Liew	-	265	-(2)	33	24	322

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

FYE 2022 (Proposed)	Fees RM'000	Salary RM'000	Bonus and Allowances RM'000	Statutory Contributions (EPF, SOCSO and EIS) RM'000	Benefits in-kind RM'000	Total RM'000
<u>Managing Director</u>						
Liew Sen Hoi	-	582	-(2)	-	15	597
<u>Executive Directors</u>						
Marcus Liew	-	345	-(2)	42	15	402
Ryan Liew	-	345	-(2)	42	21	408
<u>Independent Non-Executive Directors</u>						
Selma Enolil Binti Mustapha Khalil	30	-	1	-	-	31 ⁽¹⁾
Ir. Tee Kiam Hong	18	-	1	-	-	19 ⁽¹⁾
Olivia Lim	18	-	1	-	-	19 ⁽¹⁾
Andrea Huong Jia Mei	18	-	1	-	-	19 ⁽¹⁾

Notes:

- (1) Estimated based on their respective appointment dates as our Directors on 8 October 2021 up to 31 March 2022.
- (2) The Group does not have any fixed policies on determining bonus to be paid. There were no payments or proposed payments of bonus and allowances for FYE 2021 and FYE 2022 in relation to the Executive Directors taking into consideration the impact of COVID-19 outbreak and MCOs on the business and financial performance of the Group.

5.4.2 Key senior management's remuneration and material benefits in-kind

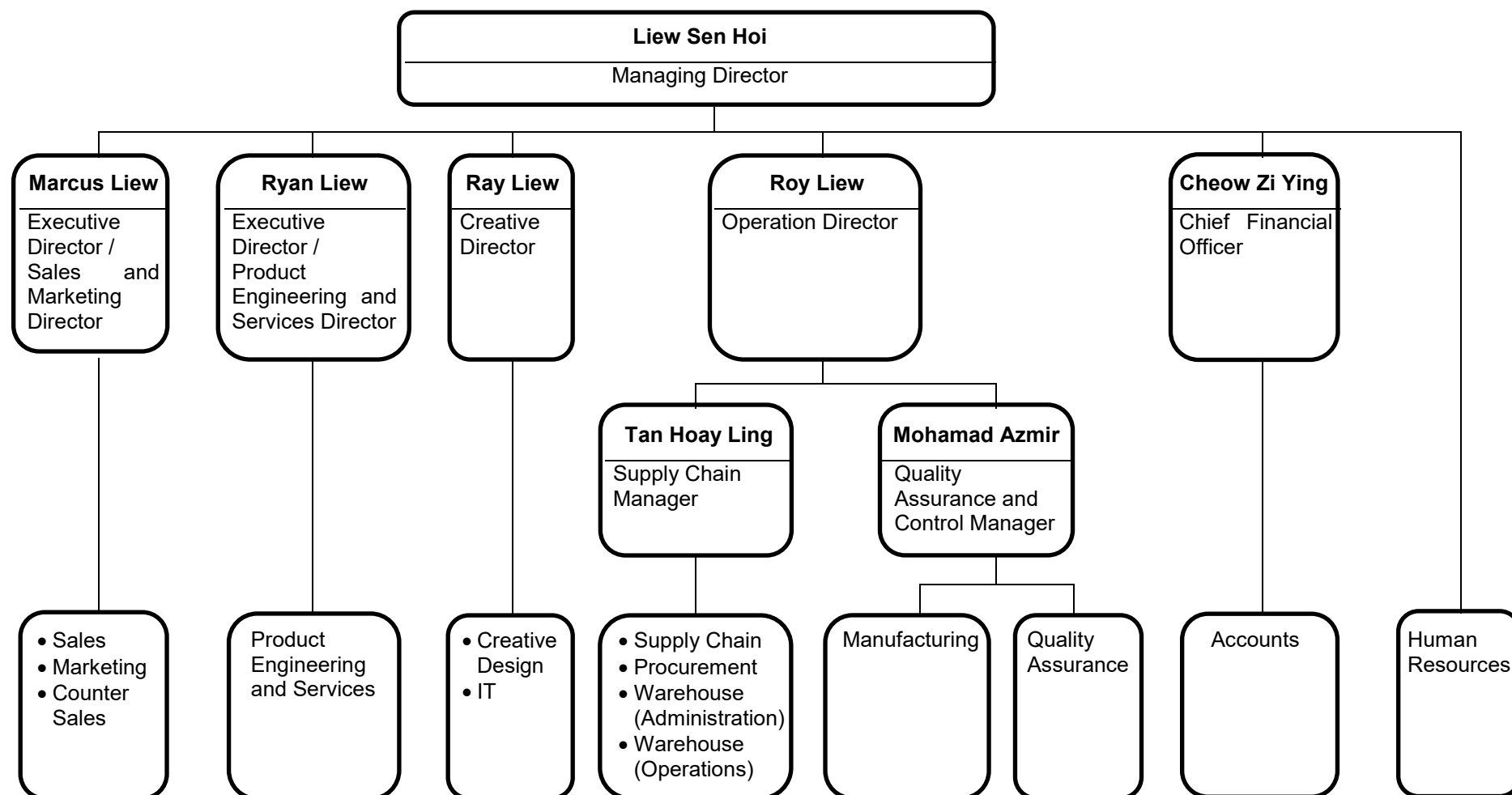
The aggregate remuneration and material benefits in-kind paid and proposed to be paid to our key senior management for services rendered to our Group in all capacities for the FYE 2021 and FYE 2022 are as follows:

Key senior management	Remuneration band	
	FYE 2021 RM'000	Proposed for the FYE 2022 RM'000
Roy Liew	250-300	350-400
Ray Liew	250-300	350-400
Cheow Zi Ying	100-150	100-150
Tan Hoay Ling	100-150	100-150
Mohamad Azmir Bin Ramli	50-100	50-100

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

5.5 MANAGEMENT REPORTING STRUCTURE

The management reporting structure of our Group is as follows:



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

5.6 DECLARATIONS BY EACH PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

None of our Promoters, Directors and key senior management is or was involved in any of the following events, whether within or outside Malaysia:

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

5.7 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Save as disclosed below, there are no other family relationships and associations among our Promoters, substantial shareholders, Directors and key senior management as at the LPD:

- (i) Liew Sen Hoi, our Promoter, substantial shareholder and Managing Director is the spouse of Lim Show Ching and the father of Marcus Liew, Ryan Liew, Roy Liew and Ray Liew;
- (ii) Lim Show Ching, our Promoter and substantial shareholder, is the spouse of Liew Sen Hoi and the mother of Marcus Liew, Ryan Liew, Roy Liew and Ray Liew;
- (iii) Marcus Liew, our Promoter, substantial shareholder and Executive Director, is the son of Liew Sen Hoi and Lim Show Ching;
- (iv) Ryan Liew, our Promoter, substantial shareholder and Executive Director, is the son of Liew Sen Hoi and Lim Show Ching;
- (v) Roy Liew, our Promoter, substantial shareholder and key senior management, is the son of Liew Sen Hoi and Lim Show Ching;
- (vi) Ray Liew, our Promoter, substantial shareholder and key senior management, is the son of Liew Sen Hoi and Lim Show Ching;
- (vii) Marcus Liew, Ryan Liew, Roy Liew and Ray Liew, our Promoters and substantial shareholders, are siblings; and

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

- (viii) Liew Sen Hoi, Lim Show Ching, Marcus Liew, Ryan Liew, Roy Liew, Ray Liew are directors and shareholders of UFG, which is also our Promoter and substantial shareholder. Please see Section 5.1.2 for further details of UFG.

5.8 SERVICE AGREEMENTS

As at the LPD, none of our Directors and/or key senior management have any existing or proposed service agreement with our Group.

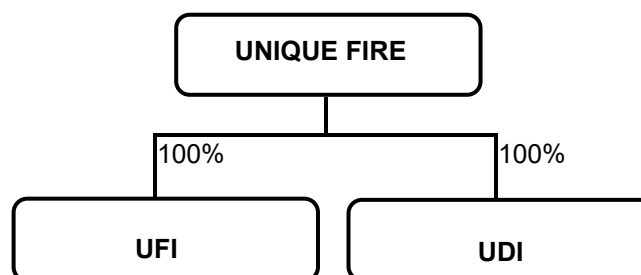
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6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR GROUP

6.1.1 Overview and history

Our Company was incorporated in Malaysia under the Act on 13 April 2021 as a private limited company under the name of Unique Fire Holdings Sdn Bhd and on 8 September 2021 converted to a public limited company. Our corporate Group structure as at the LPD is as follows:



Our Company is an investment holding company and the principal activities of our wholly-owned subsidiaries, UFI and UDI, are as follows:

Company	Principal activities
UFI	Assembly, manufacture and distribution of active fire protection systems, equipment and accessories for built environment.
UDI	Distribution of custom graphics designed fire extinguishers, and other active fire protection systems, equipment and accessories and related services.

Upon the completion of the Acquisition of UFI and UDI on [●], our Group was formed. As at the LPD, our Group does not have any joint venture or associates. Further details on our subsidiaries, UFI and UDI, are set out in Section 6.2 of this Prospectus.

We are involved in the assembly, distribution and manufacture of active fire protection systems, equipment and accessories for the built environment.

Our business is supported by our Operational Facility in Shah Alam, Selangor where we assemble our brands and third party brands of the following:

- fire suppression system using CO₂ and HFC-227ea as extinguishing agents; and
- fire protection equipment including fire extinguishers using CO₂ (hand portable and trolley mounted), dry chemical (trolley mounted) and foam (hand portable and trolley mounted) as extinguishing agents, fire hose reels and fire hoses.

Our assembly segment accounted for 46.42%, 46.94% and 48.42% of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

We also manufacture fire protection equipment, namely hand portable dry chemical fire extinguishers which accounted for 13.75%, 14.95% and 17.55% of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively. Collectively, assembly and manufacture business activities accounted for 60.17%, 61.89% and 65.97% for the FYE 2019, FYE 2020 and FYE 2021, respectively.

6. INFORMATION ON OUR GROUP (Cont'd)

Our business also includes distribution where we distribute our brands and third party brands including the following:

- fire suppression system including sprinkler systems, wet and dry riser systems and hydrants, and wet chemical fire suppression system;
- fire protection accessories including fire alarm and detection devices, batteries, cabinets and fire blankets; and
- fire protection equipment namely fire hoses.

UFI distributes all of the types of active fire protection systems, equipment and accessories listed above. UFI's distribution activity is through online sales of custom graphics designed fire extinguishers, fire detectors, fire alarms and fire blankets.

Our distribution business accounted for 38.17%, 36.65% and 32.29% of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

Our other business activities include assisting in Bomba eFEIS application, sales of dry chemical fire extinguisher refilling machines and servicing of fire protection equipment which accounted for 1.66%, 1.46% and 1.74% of our total revenue for FYE 2019, FYE 2020 and FYE 2021, respectively.

For further information on the business activities, please refer to Section 6.4 in this Prospectus.

The historical key events and milestones of our business are as follows:

Year	Key events and milestones
1997	<ul style="list-style-type: none"> • Incorporation and commencement of UBE Industry Sdn Bhd ("UBE Industry") before changing to our current name, UFI in 2003. We initially commenced operations as a distributor of fire protection systems, equipment and accessories in a rented facility in Bandar Kinrara in Puchong, Selangor before expanding into assembly and manufacture of fire protection systems and equipment in 2000 and 2009, respectively.
2000	<ul style="list-style-type: none"> • UFI started the assembly of our brand of fire hoses from parts purchased from external parties. This was part of our strategy of building our portfolio of brands of fire protection systems and equipment.
2003	<ul style="list-style-type: none"> • We started to market our Unique brand of products following UBE Industry's name change to UFI. Subsequently, UFI registered the trademarks for our Commander and Yama brands of fire hoses.
2005	<ul style="list-style-type: none"> • UFI received its first SIRIM certification for our Unique brand of two (2) kg and five (5) kg hand portable CO₂ fire extinguishers. SIRIM is an agency under the purview of MITI that provides independent certification that products comply with the relevant standards, including safety and/or performance standards. SIRIM certification attests that a product, system or equipment (such as our Unique brand of two (2) kg and five (5) kg hand portable CO₂ fire extinguishers) comply with the relevant standards. <p>After receiving SIRIM certification, UFI expanded its product range and started to assemble hand portable CO₂ fire extinguishers under the Unique brand. We would source empty cylinders and parts, fill in the CO₂ and assemble the various parts to form the complete fire extinguisher.</p> <ul style="list-style-type: none"> • Furthermore, UFI started the assembly of CO₂ fire suppression system under the Unique brand where we source empty cylinders and parts, fill in the CO₂ and assemble the various parts to form the complete filled cylinders. We also

6. INFORMATION ON OUR GROUP (Cont'd)

Year	Key events and milestones
	purchase relevant accessories (not including pipes and fittings) based on the design specifications of our customers to form a fire suppression system for our customers to carry out the installation.
2006	<ul style="list-style-type: none"> UFI received ISO 9001:2000 quality management system certification for the sales and marketing of fire protection equipment and provision of gas refilling service for fire extinguishers. The scope of UFI's ISO 9001:2015 certification was subsequently changed to sales, manufacturing, refilling and servicing of fire protection systems and equipment in 2018. ISO 9001 quality management system certification provides assurance that UFI's quality management procedures have been independently assessed and found to comply with the relevant standards. UFI purchased a one (1)-acre piece of land along Jalan Anggerik Mokara 31/47, Kota Kemuning, Shah Alam, Selangor ("31/47 Property") from Shanghai Crest (M) Sdn Bhd, which is not a related party to our Group, for a purchase consideration of RM1,950,000 intended for future expansion. UFI expanded its distribution business operations and was appointed as an authorised distributor of The Viking Corporation (Far East) Pte Ltd ("Viking Corporation"), for their range of fire sprinkler systems and related equipment under the Viking brand in Malaysia. Viking Corporation is a manufacturer of fire protection products with headquarters in the United States.
2008	<ul style="list-style-type: none"> UFI commenced and completed the construction of a facility on our 31/47 Property, and relocated our assembly operations from Bandar Kinrara, Puchong to this new premises in the same year.
2009	<ul style="list-style-type: none"> UFI purchased a piece of land of approximately three (3) acres at 9, Jalan Anggerik Mokara 31/55, Kota Kemuning, Shah Alam, Selangor from Shanghai Spectrum (M) Sdn Bhd, which is not a related party to our Group, for a purchase consideration of RM8,102,160 ("Operational Facility in Shah Alam, Selangor"). UFI received SIRIM certification for our Unique brand of one (1) kg, two (2) kg, four (4) kg, six (6) kg and nine (9) kg hand portable dry chemical fire extinguishers. Upon obtaining SIRIM certification, we started to manufacture hand portable dry chemical fire extinguishers in the sizes above using a newly set-up manufacturing line at our 31/47 Property. This was a complete manufacturing line, from the manufacture of cylinders (starting with steel coils and plates), powder coating of the cylinders, filling with extinguishing agent and assembly of the finished product.
2010	<ul style="list-style-type: none"> UFI was appointed as an authorised distributor of Chang Der Fire Protection Corporation ("Chang Der") for their CD brand of sprinkler systems. Chang Der is a manufacturer of sprinkler systems and other fire protection products based in Taiwan.
2011	<ul style="list-style-type: none"> UFI started exporting products to foreign markets with Vietnam, our first export destination. Our first exports comprised CO₂ fire suppression systems under our Unique brand, consisting of filled 45 kg gas cylinders and parts. UFI started construction of an office, factory and warehouse facility at our Operational Facility in Shah Alam, Selangor.

6. INFORMATION ON OUR GROUP (Cont'd)

Year	Key events and milestones
2013	<ul style="list-style-type: none"> Upon the completion of construction, we relocated our operations from 31/47 Property to our Operational Facility in Shah Alam, Selangor. UFI subsequently sold the 31/47 Property to Acwer Industrial Equipment Sdn Bhd, which is not a related party to our Group, for a consideration of RM12,500,000. We expanded our product range by assembling trolley mounted dry chemical fire extinguishers of larger sizes including 25 kg and 50 kg using purchased empty cylinders and parts. UFI was appointed by Kidde-Fenwal Inc. ("Kidde-Fenwal") as an authorised distributor for their Kidde brands of HFC and wet chemical fire suppression systems in Malaysia. Kidde-Fenwal is a manufacturer of fire protection and temperature control products with headquarters in the United States. We initially distributed Kidde brand of HFC fire suppression systems, comprising cylinders already filled with extinguishing agent and other parts supplied by them, until our HFC filling machine for Kidde brand of HFC fire suppression systems conformed to UL procedures in 2019 (as described below), following which we began to assemble Kidde brand of HFC fire suppression systems. As for wet chemical fire suppression system, we do not carry out any assembly activities and therefore this constitutes distribution activities only.
2014	<ul style="list-style-type: none"> We also obtained SIRIM certification for our Unique brand of fire hose reels, and we then expanded our assembled products to include fire hose reels in the same year. We purchase the steel side plates and reels, as well as the hose from external suppliers, powder coat the steel side plates in our production line and assemble the various parts to complete the fire hose reel.
2016	<ul style="list-style-type: none"> UFI was appointed by Orient Fire Pte Ltd ("Orient Fire") as a distributor of HFC fire suppression systems. Orient Fire is a wholly-owned subsidiary of Orient Corporation Pte Ltd ("Orient Corporation"), a manufacturer of fire suppression systems with headquarters in Singapore. We are permitted to market Orient Fire's HFC fire suppression products under our "Unique" brand, such as Unique227 brand. UFI obtained UL certification for our Unique227 brand of HFC fire suppression systems based on Orient Fire's original UL certification. We initially distributed HFC fire suppression systems from Orient Corporation, comprising cylinders already filled with extinguishing agent and other parts supplied by them, until our HFC filling machine and nozzle drilling machine for our Unique227 brand of HFC fire suppression systems conformed to UL procedures in 2017 (as described below), following which we began to assemble Unique227 brand of HFC fire suppression systems. UFI secured purchase orders to supply a Kidde brand HFC fire suppression systems as well as our Unique brand of fire extinguishers and fire hose reels, our Commander brand of fire hose, and other fire protection equipment for seven (7) underground Mass Rapid Transit ("MRT") Line 1 stations (comprising the Bukit Bintang, Cochrane, Maluri, Muzium Negara, Merdeka, Pasar Seni and Tun Razak Exchange stations), with total value of the purchase orders amounting to RM6.68 million.
2017	<ul style="list-style-type: none"> UFI conforms to UL procedures for the HFC filling machine and nozzle drilling machine for our Unique227 brand of HFC fire suppression systems at our Operational Facility in Shah Alam, Selangor. UFI subsequently started to assemble Unique227 brand of HFC fire suppression systems, where we sourced all the empty cylinders with valves, blank nozzles and other parts, as well as HFC-227ea extinguishing agent from Orient Corporation. The conformity provides assurance that UFI's HFC filling machine and nozzle

6. INFORMATION ON OUR GROUP (Cont'd)

Year	Key events and milestones
	drilling machine conform with the relevant UL standards. UL certification attests that a product, system or equipment (such as our Unique227 brand of HFC fire suppression systems) has been independently tested and found to comply with the relevant UL standards.
2018	<ul style="list-style-type: none"> UFI obtained SGP for our HFC fire suppression systems under our Unique227 brand from TNB, which certifies that the system complied with the specified requirements of TNB technical specification and it is accepted for use in the TNB system. UFI supplied its first Unique227 brand of HFC fire suppression systems to Sailfield Pipe Engineering Sdn Bhd, a TNB contractor who then carried out the installation of the system, with total value of purchase orders for this system amounting to approximately RM36,000. UDI, our wholly-owned subsidiary, was incorporated and commenced business in the same year, distributing custom graphics designed fire extinguishers to consumers. These are sold under our Unique brand.
2019	<ul style="list-style-type: none"> UDI commenced our online sales through our website and third party platforms namely Lazada and Shopee, for our Unique brand of hand portable fire extinguishers with customised graphic design. These were the first fire protection equipment that we marketed online. UFI was appointed by Tyco Fire & Building Products Asia Pte Ltd as an authorised distributor of wet chemical fire suppression systems under the Ansul brand in Malaysia. Tyco Fire & Building Products Asia Pte Ltd is part of Tyco International plc, which manufactures, among others, water-based fire suppression systems and equipment with its headquarters in Ireland. UFI conforms to UL procedures for HFC filling machine for Kidde brand of HFC fire suppression systems at our Operational Facility in Shah Alam, Selangor. UFI subsequently started to assemble Kidde brand of HFC fire suppression systems where we sourced all the empty cylinders and parts, and the HFC-227ea extinguishing agent from Kidde-Fenwal. UFI also received UL certification for batteries that we distribute under our Unique brand.
2020	<ul style="list-style-type: none"> UFI received approval and was registered as an importer and exporter of HFC products by the Department of Environment. Through UFI, we expanded our export markets to Hong Kong where we supplied Kidde brand of HFC fire suppression systems. UFI was appointed as an authorised distributor of ZYfire rubber fire hoses by ZYfire Hose Corporation in Malaysia. ZYfire Hose Corporation is a manufacturer of fire hoses based in China.
2021	<ul style="list-style-type: none"> Through UFI, we received our first FM Approvals certification for our Unique227 and Unique5112 brands of fire suppression systems. We have not recorded any sales of Unique5112 brand of fire suppression system for the Financial Years Under Review as we only started to market this system in the first half of 2021. FM Approvals certification certify that a product or system (such as our Unique227 and Unique5112 brands of fire suppression systems) has been independently tested and found to comply with the applicable requirements stated in the relevant FM Approvals standards.

6. INFORMATION ON OUR GROUP (Cont'd)

Year	Key events and milestones
	<ul style="list-style-type: none"> UFI continued to secure purchase orders to supply fire protection systems and equipment, including dry chemical and CO₂ fire extinguishers, and fire hose reels for a total of nine (9) MRT 2 stations (comprising the Kampung Baru, Chan Sow Lin, Titiwangsa, Ampang Park, Hospital KL, Conlay, KLES, Bandar Malaysia South and Bandar Malaysia North stations), with total value of purchase orders amounting to RM0.27 million. UFI expanded its range of products and secured various authorised distributorships from the following suppliers: <ul style="list-style-type: none"> Demco Industries Sdn Bhd ("Demco") for their range of fire detection and alarm devices in Malaysia. Demco is a manufacturer of fire detection and alarm systems and other fire protection equipment based in Malaysia. Honeywell International Sdn Bhd for their fire protection range of products targeted at small and medium-sized businesses in Malaysia. This includes heat and smoke detectors, and water flow switches and detectors under the System Sensor brand. Honeywell International Sdn Bhd is part of Honeywell International Inc., a diversified technology and manufacturing company with global headquarters in the United States.

For further information on our appointment as distributors and distributorship agreements, please refer to Section 6.1.2 (e) in this Prospectus.

6. INFORMATION ON OUR GROUP (Cont'd)

Product Certifications

The following are the product certifications and accreditation that are held by our Group:

	Certifications/ Accreditation ⁽¹⁾	Products/Processes	Initial award date	Relevant standards	Validity period
1	ISO	Sales, manufacturing, refilling and servicing of fire protection systems and equipment.	27 December 2006	ISO 9001: 2015 Sales, manufacturing, refilling and servicing of fire protection systems and equipment.	27 November 2021 – 26 December 2024
2	SIRIM ⁽²⁾	Portable Fire Extinguisher (Carbon Dioxide Type)	27 July 2005	MS 1539: Part 1: 2002	21 May 2021 – 27 July 2022
3	SIRIM ⁽²⁾	Portable Fire Extinguisher (Dry Powder Type)	9 October 2009	MS 1539: Part 1: 2002	26 August 2020 – 27 July 2022
4	SIRIM ⁽²⁾	Fire Hose Reel	17 February 2014	MS 1447: Part 1: 2006	29 November 2021 – 17 February 2023
5	UL	Clean-agent Extinguishing System Units Pre-engineered units	8 March 2016	UL 2166 – Halocarbon Clean Agent Extinguishing System Units	Subject to quarterly audit by UL. Last quarterly audit was conducted on 25 October 2021.

6. INFORMATION ON OUR GROUP (Cont'd)

	Certifications/ Accreditation ⁽¹⁾	Products/Processes	Initial award date	Relevant standards	Validity period
6	UL	Clean Agents for Fire Extinguishers and Extinguishing System Units – Component Model - HFC-227ea (Tradename Unique 227) Clean Agent for Fire Extinguishers and Extinguishing System Units	8 March 2016	NFPA 2001, ASTM D6064-03	Subject to quarterly audit by UL. Last quarterly audit was conducted on 25 October 2021.
7	UL	Clean-agent Extinguishing System Units Engineered units	9 March 2016	UL 2166 – Halocarbon Clean Agent Extinguishing System Units	Subject to quarterly audit by UL. Last quarterly audit was conducted on 25 October 2021.
8	FM Approvals	Unique 227	9 July 2021	Approval Standard for Clean Agent Extinguishing Systems: Class Number 5600	Subject to annual audit by FM Approvals. Last annual audit was conducted on 14 September 2021.
9	FM Approvals	Unique 5112	9 July 2021	Approval Standard for Clean Agent Extinguishing Systems: Class Number 5600	Subject to annual audit by FM Approvals. Last annual audit was conducted on 14 September 2021.
10	FM Approvals	500 psi HFC-227ea Engineered Clean Agent Fire Extinguishing Systems	9 July 2021	Approval Standard for Clean Agent Extinguishing Systems: Class Number 5600	Subject to annual audit by FM Approvals. Last annual audit was conducted on 14 September 2021.

6. INFORMATION ON OUR GROUP (Cont'd)

	Certifications/ Accreditation ⁽¹⁾	Products/Processes	Initial award date	Relevant standards	Validity period
11	FM Approvals	360 psi HFC-227ea Engineered Clean Agent Fire Extinguishing System	9 July 2021	Approval Standard for Clean Agent Extinguishing Systems: Class Number 5600	Subject to annual audit by FM Approvals. Last annual audit was conducted on 14 September 2021.
12	FM Approvals	500 psi FK-5-1-12 Clean Agent Fire Extinguishing Systems	9 July 2021	Approval Standard for Clean Agent Extinguishing Systems: Class Number 5600	Subject to annual audit by FM Approvals. Last annual audit was conducted on 14 September 2021.

Notes:

- (1) UL certifications for the HFC filling stations, nozzle drilling machines and batteries are held by the manufacturers and are therefore excluded from the above table. UL certification for HFC filling stations and nozzle drilling machine are subject to quarterly audits by UL where follow-up service inspection reports are issued to Unique Fire Industry Sdn Bhd.
- (2) Please refer to Section 6.19.2 for further details on requirements for SIRIM or any other scheme that has been recognised by Bomba.

6. INFORMATION ON OUR GROUP (Cont'd)**Key Awards and Recognitions**

Up to the LPD, the awards and recognitions that UFI has received include the following:

Year	Awarding Party	Awards and Recognitions
2014	Kidde Fire Systems ⁽¹⁾	Top Distributor
2014	Viking Corporation	For the Excellent Achievement – 2014 Million Dollar Club
2015	UTC Fire & Safety South East Asia ⁽²⁾	Outstanding Performance Award 2015
2016	Viking Corporation	For the Excellent Achievement – 2016 Million Dollar Club
2016	MMC Gamuda KVMRT (T) Sdn Bhd	Appreciation for supplying active fire protection equipment ⁽³⁾ for seven (7) underground MRT 1 stations
2017	Malaysia Book of Records	National Record as the Biggest Fire Protection Equipment Factory in Malaysia
2018	Malaysia Book of Records	National Record as the First Manufacturer of Design Fire Extinguishers in Malaysia

Notes:

- (1) Kidde Fire Systems is under Kidde-Fenwal.
- (2) UTC Fire & Safety South East Asia is a division of United Technologies Corporation, the parent company of Kidde-Fenwal.
- (3) Active fire protection equipment including third party brand of HFC fire suppression systems and Unique brand fire extinguishers.

6.1.2 Our competitive advantages and key strengths

Our competitive advantages and key strengths are as follows:

- (a) **We have an established track record of approximately 24 years as a provider of fire protection systems, equipment and accessories which will serve as a platform to grow our business**

We have an established track record of approximately 24 years of operating in the fire protection industry commencing as a distributor in 1997. Throughout our 24 years of operations in the fire protection industry, our Group has evolved from a distributor to an assembler and manufacturer of fire protection systems, equipment and accessories. We have been involved in the assembly of fire protection systems and equipment since 2000 commencing with fire hoses, and manufacture of fire extinguishers since 2009.

Throughout our 24 years of operating in the fire protection industry, we have established a long-term business relationship with our customers, supported by the fact that four (4) out of our top five (5) customers for the FYE 2021 have been dealing with our Group for 10 years or more. Since the commencement of our business in 1997, we have developed a customer base of approximately 1,500, 1,600 and 1,700 customers for the FYE 2019, FYE 2020 and FYE 2021, respectively.

Our established track record together with our customer base will provide us with the platform to sustain and grow our business.

6. INFORMATION ON OUR GROUP (Cont'd)

(b) We have our brands of fire protection systems, equipment and accessories to cultivate customer loyalty and brand recognition

As at LPD, we market our fire protection systems, equipment and accessories under our own Unique, Unique227, Unique5112, Commander and Yama brands. Having our brand is important in cultivating customer loyalty and brand recognition from M&E and FPS contractors, FPS maintenance service providers, retailers and wholesalers which are important in facilitating repeat orders from customers as well as referrals. In addition, a brand name would also facilitate brand recognition from M&E consultants who are usually responsible for selecting the brands of products to use when they design fire protection systems.

Our strategy is to continue to expand on the range of products that are marketed under our brands, either through our in-house assembly and manufacturing capabilities or sourced from external manufacturers. Our brands will provide us with the platform to potentially expand our domestic and foreign markets and provide us with business growth.

For the Financial Years Under Review, revenue derived from our brands collectively accounted for RM59.90 million (75.16%), RM59.89 million (78.59%) and RM51.09 million (80.52%) for the FYE 2019, FYE 2020 and FYE 2021, respectively. This indicates that our brands and products have gained market acceptance and customer loyalty.

(c) We are an assembler and manufacturer of our brands of fire protection systems and equipment

We assemble our brands of fire suppression systems using CO₂ and HFC-227ea as extinguishing agents, fire extinguishers using CO₂ (hand portable and trolley mounted), dry chemical (trolley mounted) and foam (hand portable and trolley mounted) as extinguishing agents, fire hose reels and fire hoses. We also manufacture our brand of hand portable dry chemical fire extinguishers. For the Financial Years Under Review, the assembly and manufacture of our brands of fire protection systems and equipment collectively accounted for RM47.96 million (60.17%), RM47.17 million (61.89%) and RM41.86 million (65.97%) of our total revenue.

As an assembler and manufacturer of fire protection systems and equipment, we can initiate and continually strive to improve our finished products to meet changing needs, technologies, regulations as well as customer preferences and requirements. In addition, we can have direct control over the quality of our assembled and manufactured products. Among others, this includes compliance with relevant standards such as those set out in Malaysian Standards, as well as fire safety regulations including, the Fire Services Act 1988 and the Uniform Building By-Law ("UBBL") 1984, and regulations and requirements set out by Bomba. For further information on our Group's major approvals licences and permits, please refer to Section 6.19 of this Prospectus.

In addition, we can initiate exports of our brands of assembled and manufactured fire protection systems and equipment to expand our business by independently obtaining the relevant certifications and compliances in foreign countries. Moving forward, as part of our business strategies and plans, we plan to develop a new range of hand portable dry chemical fire extinguishers that comply with British Standards to address export market opportunities. Furthermore, we also intend to appoint new distributors to market our brands of assembled and manufactured products in Brunei, Cambodia, Myanmar, Vietnam and Hong Kong. For further information on our business strategies and plans, please refer to Section 6.18 of this Prospectus.

6. INFORMATION ON OUR GROUP (Cont'd)

(d) We market a range of fire protection systems, equipment and accessories to meet the diverse needs of our customers

We market a range of fire protection systems, equipment and accessories to meet the diverse needs of our customers and the market. These include the following:

- fire suppression system using CO₂, HFC, FK5112 and wet chemicals as extinguishing agents, sprinkler systems, and wet and dry riser systems and hydrants;
- fire protection equipment including fire extinguishers using dry chemical, CO₂ and foam as extinguishing agents, fire hose reels and fire hoses;
- fire protection accessories including fire alarm and detection devices, batteries, cabinets and fire blankets.

Our range of fire protection systems, equipment and accessories enable us to meet the requirements of a range of situations, applications and built environment, capable of addressing Class A, B, C, E and F fires. For further information on the different classes of fire, please refer to Section 6.4.5.2 of this Prospectus.

(e) We are an authorised distributor of third party brands of fire protection systems, equipment and accessories

As at the LPD, we are an authorised distributor of 8 (eight) third party brands of fire protection systems, equipment and accessories, which are summarised in the following table:

Brand and product	Supplier and description	Salient terms of our distributorship agreement / letters of appointment as distributor
<ul style="list-style-type: none"> • Orient products under Unique's brands, such as Unique227 	<p>Orient Fire Pte Ltd, is part of Orient Corporation Pte Ltd, which is a manufacturer of fire suppression systems with headquarters in Singapore.</p>	<ul style="list-style-type: none"> • Appointment as distributor for the sale and resale of Orient products in Malaysia, under distributor's brand-name "UNIQUE" upon terms and conditions contained in the distributor agreement with Orient Fire Pte Ltd ("Distributor Agreement"). • Non-exclusive basis • Term of 6 January 2021 to 6 January 2026 • The parties hereto agree that not less than 120 days prior to the expiration of the Term, the parties shall review, inter alia, the operations and performance of UFI and in good faith negotiate the terms for renewal of this Agreement, for such period as the parties hereto may agree to. • Either party shall be entitled forthwith to terminate by written notice to the other party if the defaulting party commits any repudiatory breach, and in the case of a breach capable of remedy, fails to remedy the same within 90 days after receipt of a written notice specifying the breach. Each party may also terminate without cause nor being liable to compensate the other party for such termination, by giving to the other party prior written notice of not less than 360 days.

6. INFORMATION ON OUR GROUP (Cont'd)

Brand and product	Supplier and description	Salient terms of our distributorship agreement / letters of appointment as distributor
<ul style="list-style-type: none"> Kidde brands of fire suppression systems 	<p>Kidde-Fenwal Inc. (“Kidde-Fenwal”) is a manufacturer of fire protection and temperature control products with headquarters in the United States. Kidde-Fenwal Inc. is part of Carrier Global Corporation. Kidde brands include Range Guard of wet chemical fire suppression system, ADS and ECS brands for both HFC and FK5112 fire suppression systems.</p>	<ul style="list-style-type: none"> Non-exclusive basis
<ul style="list-style-type: none"> CD brand of fire sprinkler systems 	<p>Chang Der Fire Protection Corporation is a manufacturer of sprinkler systems and other fire protection products based in Taiwan.</p>	<ul style="list-style-type: none"> It is on exclusive basis It is valid until terminated by the supplier. Terms of renewal not applicable. No termination clauses.
<ul style="list-style-type: none"> Viking brand of fire sprinkler systems 	<p>The Viking Corporation (Far East) Pte Ltd is a manufacturer of fire protection products with headquarters in the United States.</p>	<ul style="list-style-type: none"> Non-exclusive basis Term of 1 January 2022 to 31 December 2022 No renewal terms. Both parties reserve the right to withdraw this understanding at any time, for any reason, by giving 30 days’ notice of intent to rescind to the other party.
<ul style="list-style-type: none"> Ansul brand of wet chemical fire suppression systems 	<p>Tyco Fire & Building Products Asia Pte Ltd (“Tyco”) is part of Tyco International Plc,</p>	<ul style="list-style-type: none"> Non-exclusive basis

6. INFORMATION ON OUR GROUP (Cont'd)

Brand and product	Supplier and description	Salient terms of our distributorship agreement / letters of appointment as distributor
	which manufactures, among others, water-based fire suppression systems and equipment with headquarters in Ireland.	
<ul style="list-style-type: none"> • ZYfire brand of rubber fire hoses 	<p>ZYfire Hose Corporation is a manufacturer of fire hoses based in China.</p>	<ul style="list-style-type: none"> • Exclusive basis. • Term of 29 July 2021 to 28 July 2024 • No provision on renewal of term. • If cost of materials or sea freight changes over 10% during this period, prices should be renegotiated by both parties.
<ul style="list-style-type: none"> • Demco brand of fire detection and alarm devices 	<p>Demco Industries Sdn Bhd is a manufacturer of fire detection and alarm systems and other fire protection equipment based in Malaysia.</p>	<ul style="list-style-type: none"> • Non-exclusive basis. • Term of 1 April 2021 to 30 April 2023 • Renewal must be in writing and at least 1 month before expiry of the term. • No termination provisions.
<ul style="list-style-type: none"> • System Sensor brand of heat and smoke detectors, and water flow switches and detectors 	<p>Honeywell International Sdn Bhd is part of Honeywell International Inc., a diversified technology and manufacturing company with global headquarters in the United States.</p>	<ul style="list-style-type: none"> • Non-exclusive basis • Term of 1 January 2022 to 31 December 2022 unless renewed or extended by an amendment or new agreement signed by the parties. • Termination clauses: <ul style="list-style-type: none"> (a) It shall immediately terminate upon written notice in the event of any involvement in insolvency proceedings by either party. (b) If either party should breach any material obligation, and such breach is not remedied within 30 days of receipt of such notice specifying the breach, the complaining party may, by written notice terminate the agreement immediately; (c) Honeywell is entitled to terminate without cause by 30 days written notice without affecting its accrued rights and without entitling UFI to receive any compensation; (d) It shall immediately terminate upon written notice by Honeywell to UFI, in the event of any of the following: <ul style="list-style-type: none"> - UFI is unable to pay its debt as

6. INFORMATION ON OUR GROUP (Cont'd)

Brand and product	Supplier and description	Salient terms of our distributorship agreement / letters of appointment as distributor
		<p>they fall due or will cease to carry on business or will cease to be in a position to fulfil the agreement for any reason;</p> <ul style="list-style-type: none"> - There is a change in control of UFI by way of merger, sale of assets or stock, consolidation or otherwise with or to an entity which is a competitor of Honeywell, or which results in a credit risk for Honeywell; - UFI engages in conduct which Honeywell reasonably considers prejudicial to its interests; or • UFI is a party to any litigation proceedings or investigations of a material nature or under investigation by Honeywell

The value of purchases of input materials and goods from our suppliers with distributorship agreements during the Financial Years Under Review are summarised in the following table:

Supplier	FYE 2019		FYE 2020		FYE 2021	
	Amount (RM'000)	Proportion of Group Purchases ⁽¹⁾ (%)	Amount (RM'000)	Proportion of Group Purchases ⁽²⁾ (%)	Amount (RM'000)	Proportion of Group Purchases ⁽³⁾ (%)
Orient Corporation Pte Ltd	5,467	10.76	6,008	11.63	2,386	5.72
Chang Der Fire Protection Corporation	1,158	2.28	4,471	8.66	1,226	2.94
Kidde-Fenwal Inc.	1,961	3.86	3,140	6.08	522	1.25
The Viking Corporation (Far East) Pte Ltd	2,657	5.23	1,672	3.24	2,317	5.56
Demco Industries Sdn Bhd	1,283	2.52	1,376	2.67	1,134	2.72
Tyco Fire & Building Products Asia Pte Ltd	-	-	19	0.04	-	-
ZYfire Hose Corporation	111	0.22	187	0.36	407	0.98
Honeywell International Sdn Bhd	323	0.64	95	0.18	295	0.71
Total	12,960	25.51	16,968	32.86	8,287	19.88

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) Our total purchases of input materials and services for FYE 2019 was RM50.81 million.
- (2) Our total purchases of input materials and services for FYE 2020 was RM51.64 million.
- (3) Our total purchases of input materials and services for FYE 2021 was RM41.68 million.

Our business and profitability are not dependent on any individual supplier with distributorships agreements. While our purchases from Orient Corporation Pte Ltd accounted for 10.76% and 11.63% of our total purchases of input materials and services for the FYE 2019 and FYE 2020, respectively, for FYE 2021 our purchases had reduced to 5.72% of our total purchases of input materials and services. Our purchases from other suppliers with distributorships agreements individually accounted for less than 10.00% of our total purchases of input materials and services for the Financial Years Under Review. In addition, the types of goods and materials that we purchase from our suppliers with distributorship agreements can also be sourced from other suppliers.

During the Financial Years Under Review, revenue derived collectively from the above distributorship agreements amounted to RM19.95 million (25.02%), RM20.76 million (27.25%) and RM17.17 million (27.06%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively. As an authorised distributor, we benefit from the brand equity and customer loyalty developed by our suppliers. We also have access to technical support, training for our personnel and relevant product updates provided by our suppliers.

(f) **Our fire protection systems, equipment and accessories are used in diverse sectors which will provide us with business growth and opportunities**

Our fire protection systems, equipment and accessories are used in a cross-section of applications in the following sectors:

- residential sectors such as landed homes, and low rise and high-rise apartments and condominiums;
- commercial sectors such as offices, data centres, retail outlets and shopping malls;
- industrial sectors such as processing and manufacturing plants, and offshore oil and gas platforms;
- leisure and hospitality sectors, such as theme parks, hotels and food services operations;
- institution sectors such as healthcare, education and government buildings and facilities;
- infrastructure, such as airports, seaports, railway stations, MRT stations, electric substations and telecommunication equipment operations centre;
- public amenities and facilities, such as indoor stadiums and concert halls; and
- commercial vehicles, such as trucks and vans.

The wide applications of our fire protection systems, equipment and accessories will provide us with the platform to sustain and grow our business. In addition, any favourable regulatory changes relating to enhancing fire protection in any one or more of the above sectors would serve as growth opportunities for us.

6. INFORMATION ON OUR GROUP (Cont'd)

(g) The fire protection systems, equipment and accessories that we assemble, distribute and manufacture are critical products mandated by various regulatory bodies

Fire protection systems, equipment and accessories are critical products that are mandatory in built environment that supports human activities, including properties, community facilities and amenities, and infrastructure. Fire protection in built environment is regulated by various authorities, such as Bomba and local government authorities. Under the Fire Services Act 1988, designated premises (except for single private dwellings and public religious worship areas) require a Fire Certificate that is issued by Bomba, which is renewable annually. The Fire Certificate is only issued after the premises has been inspected by Bomba and found to have adequate fire safety, prevention and protection, and firefighting facilities. Newly built properties have to demonstrate that they comply with the relevant fire safety regulations as one of the conditions to be fulfilled before CCC can be issued by the relevant local government authority.

In addition, there is a requirement to have a portable fire extinguisher in private dwellings and apartments and flats that fall under the prescribed categories that was subsequently incorporated into the Uniform Building By-Laws (“UBBL”) of certain states by way of gazettes namely Selangor, Penang, Terengganu and Melaka in 2012, 2016, 2013 and 2019, respectively (*Source: Industry Overview*). As such, there will always be a market for fire protection systems, equipment and accessories.

As the population, society and community continue to grow, the demand for fire protection systems, equipment and accessories will also increase in tandem to ensure safety from the destructive nature of unwanted fires. In addition, the introduction and enforcement of fire protection regulations will continue to drive the demand for fire protection systems, equipment and accessories.

(h) We have experienced Directors and key management team to grow our business

We have an experienced management team headed by our Managing Director, Liew Sen Hoi, who brings with him extensive experience with approximately 50 years in the fire protection industry. Liew Sen Hoi has been instrumental in the growth and development of our Group. He is also responsible for the strategic direction and overall management of our Group of companies. He is supported by our key senior management team who comprising the following:

- Marcus Liew, our Executive Director, has approximately 16 years of experience in business development in the fire protection industry, is responsible for the sales and marketing activities of the Group;
- Ryan Liew, our Executive Director, who brings with him approximately 14 years of experience in providing engineering solutions in the fire protection industry, is responsible for ensuring product compliance with the relevant regulatory requirements and contributes to product development;
- Roy Liew, our Operation Director, has approximately 14 years of experience in the fire protection industry, is responsible for managing our manufacturing division and overseeing our overall supply chain operations;
- Ray Liew, our Creative Director, has approximately 10 years of experience in the fire protection industry, is responsible for overseeing our Group's IT functions, digital marketing as well as creative design aspects;
- Cheow Zi Ying, our Chief Financial Officer, has approximately 17 years of experience in accounting related functions, is responsible for managing our finance and accounting functions and tax related matters;

6. INFORMATION ON OUR GROUP (Cont'd)

- Tan Hoay Ling, our Supply Chain Manager, has approximately 16 years of experience related to inventory and production planning, is responsible for overseeing purchasing and planning production; and
- Mohamad Azmir Bin Ramli, our Quality Assurance and Control Manager, has approximately 26 years of experience related to quality control and product certifications, is responsible for monitoring quality control activities, product certifications and the manufacturing process.

Please refer to Sections 5.1.2 and 5.2.8 of this Prospectus for the profiles of our Directors and key senior management.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.1.3 Share capital and changes in share capital

As at the LPD, our issued share capital is RM50,599,760 comprising 316,250,000 ordinary shares.

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

Date of allotment	No. of Shares allotted	Consideration	Nature of transaction	Cumulative issued share capital	
				RM	No. of Shares
13 April 2021	2,000	Cash	Subscriber's shares	200	2,000
23 July 2021	2,000	Cash	Allotment of shares	400	4,000
[●]	316,246,000	Otherwise than cash	Allotment of shares pursuant to the Acquisition of UFI and UDI	50,599,760	316,250,000

There were no discounts, special terms or instalment payment terms given in consideration of the allotment.

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital.

Upon completion of our Listing, our issued share capital will increase to RM[●] comprising 400,000,000 Shares.

6.2 INFORMATION ON OUR SUBSIDIARIES

6.2.1 UFI

(a) Background, history and principal activities

Unique Fire Industry Sdn Bhd (Registration No. 199701003235 (418731-U)) was incorporated on 27 January 1997 in Malaysia under the Companies Act 1965 as a private limited company under the name of UBE Industry and is deemed registered under the Act. It changed its name to Unique Fire Industry Sdn Bhd on 4 April 2003.

UFI is principally involved in the assembly, manufacture and distribution of active fire protection systems, equipment and accessories for built environment. UFI's principal place of business is in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of UFI is RM9,004,500 comprising 9,004,500 ordinary shares.

For the Financial Years Under Review and up to the LPD, there has been no change to the issued share capital of UFI.

6. INFORMATION ON OUR GROUP (Cont'd)

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

(c) Substantial shareholder and Directors

UFI is a wholly-owned subsidiary of our Company. Please refer to Section 4.1.1(a)(i) for further details of the Acquisition of UFI.

The changes in the shareholders and their shareholdings in UFI for the past three (3) financial years up and to the LPD are as follows:

Name	As at 31 March 2018		As at 31 March 2019, 31 March 2020 and 31 March 2021		As at LPD	
	No. of shares held	%	No. of shares held	%	No. of shares held	%
Liew Sen Hoi	8,554,275	95	4,952,475	55	-	-
Lim Show Ching	450,225	5	450,225	5	-	-
Marcus Liew	-	-	900,450	10	-	-
Ryan Liew	-	-	900,450	10	-	-
Roy Liew	-	-	900,450	10	-	-
Ray Liew	-	-	900,450	10	-	-
Unique Fire	-	-	-	-	9,004,500	100

Please refer to Section 4.1.1(a)(i) for further details of the Acquisition of UFI.

The directors of UFI are Liew Sen Hoi, Lim Show Ching, Marcus Liew, Ryan Liew, Roy Liew and Ray Liew.

(d) Subsidiary, associate and joint venture

UFI does not have any subsidiary, associate or joint venture.

6.2.2 UDI

(a) Background, history and principal activities

Unique Digital Innovation Sdn Bhd (Registration No. 201801000171 (1262183-U)) was incorporated on 2 January 2018 in Malaysia under the Act as a private limited company under its present name.

UDI is principally involved in the distribution of custom graphics designed fire extinguishers, other active fire protection systems, equipment and accessories, and related services. UDI's principal place of business is in Malaysia.

6. INFORMATION ON OUR GROUP (Cont'd)

(b) Share capital

As at the LPD, the issued share capital of UDI is RM450,000 comprising 450,000 ordinary shares.

Save as disclosed below, there has been no change in our issued share capital for the Financial Years Under Review and up to the LPD:

Date of allotment	No. of UDI shares allotted	Consideration	Cumulative issued share capital	
			(RM)	No. of UDI shares
2 January 2018	100	Cash	100	100
30 October 2018	99,900	Cash	100,000	100,000
30 September 2019	200,000	Cash	300,000	300,000
11 June 2020	150,000	Cash	450,000	450,000

There were no discounts, special terms or instalment payment terms given in consideration of the allotment.

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

(c) Substantial shareholder and Directors

UDI is a wholly-owned subsidiary of our Company. Please refer to Section 4.1.1(a)(ii) for further details of the Acquisition of UDI.

The changes in the shareholders and their shareholdings in UDI for the past three (3) financial years and up to the LPD are as follows:

Name	As at 31 December 2018		As at 31 December 2019		As at 31 March 2021		As at LPD	
	No. of shares held	%	No. of shares held	%	No. of shares held	%	No. of shares held	%
Liew Sen Hoi	60,000	60	180,000	20	90,000	20	-	-
Marcus Liew	-	-	-	-	90,000	20	-	-
Ryan Liew	-	-	-	-	90,000	20	-	-
Roy Liew	20,000	20	60,000	20	90,000	20	-	-
Ray Liew	20,000	20	60,000	20	90,000	20	-	-
Unique Fire	-	-	-	-	-	-	450,000	100

The directors of UDI are Liew Sen Hoi, Marcus Liew, Ryan Liew, Roy Liew and Ray Liew.

6. INFORMATION ON OUR GROUP (Cont'd)

(d) Subsidiary, associate and joint venture

UDI does not have any subsidiary, associate or joint venture

6.3 MATERIAL CAPITAL EXPENDITURE AND DIVESTITURES

For the Financial Years Under Review and up to the LPD, our Group had no material capital expenditure or investments and divestitures, save for the capital expenditure incurred for motor vehicle in FYE 2021 amounted to RM0.50 million. The material capital expenditure was primarily funded via a combination of internally generated funds and bank borrowings.

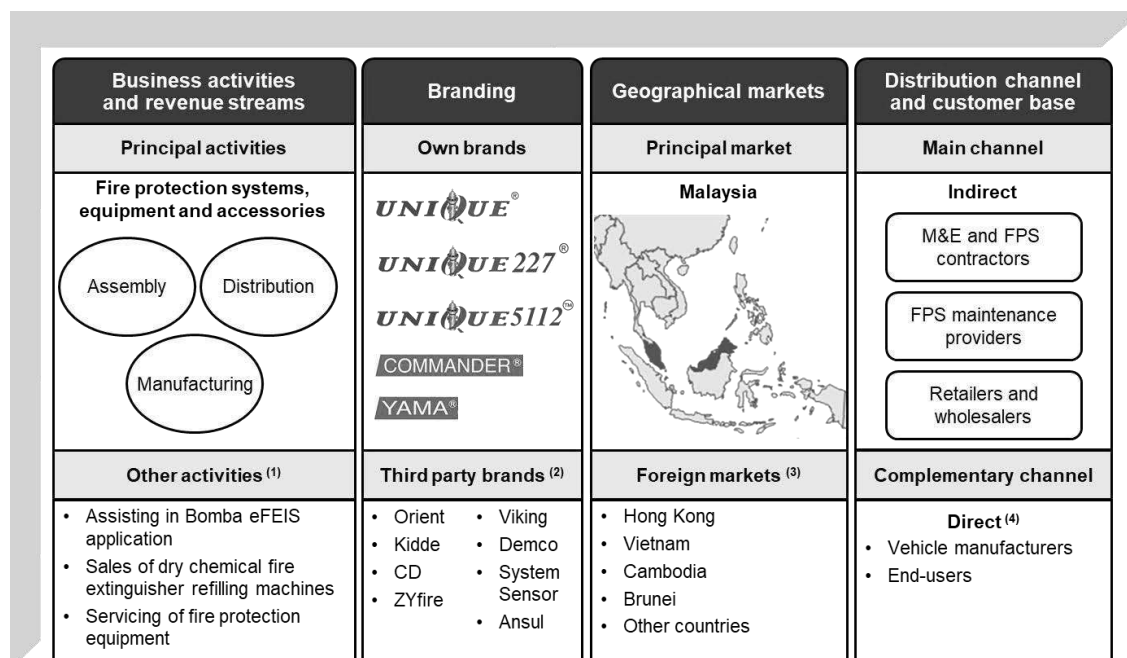
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6. INFORMATION ON OUR GROUP

6.4 BUSINESS OVERVIEW

6.4.1 Our Business Model

Our business model is depicted in the following diagram:



Notes:

- (1) Other activities collectively accounted for 1.66%, 1.46% and 1.74% of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.
- (2) Third party brands collectively accounted for 23.24%, 20.06% and 17.87% of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.
- (3) Foreign markets collectively accounted for 1.25%, 1.01% and 1.30% of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.
- (4) Direct distribution channel accounted for 6.12%, 6.32% and 5.85% of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

6.4.2 Business Activities and Revenue Stream

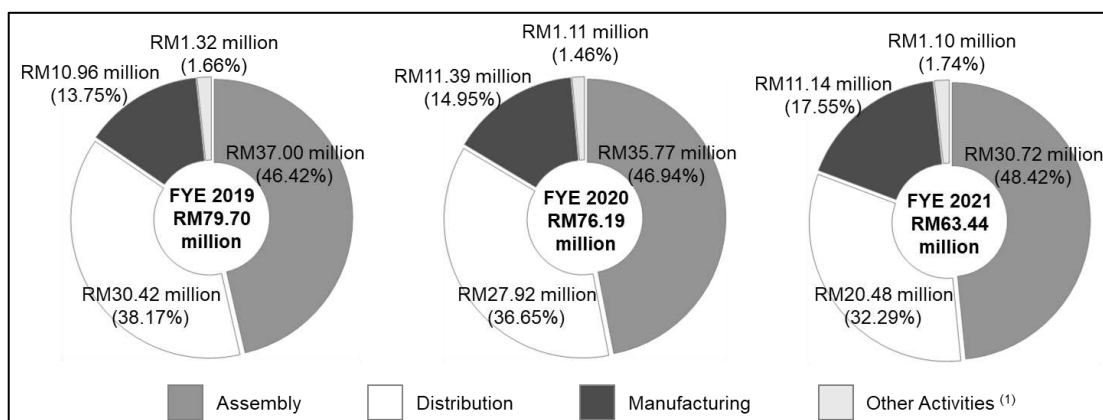
6.4.2.1 Business Activities

We are involved in the assembly, distribution and manufacture of active fire protection systems, equipment and accessories for the built environment. Our fire protection systems and equipment are designed to combat Class A, B, C, E and F fires. As such, our fire protection systems and equipment use extinguishing agents including CO₂, HFC, wet and dry chemicals and foam, as well as fire protection systems and equipment that are attached to a supply of water. For further information on the different class of fire, please refer to Section 6.4.5.2 of this Prospectus.

6. INFORMATION ON OUR GROUP (Cont'd)

Our revenue segmentation by business activities is summarised in the following pie chart:

Revenue segmentation by business activities



Note:

- (1) Other activities include assisting in Bomba eFEIS application, sales of dry chemical fire extinguisher refilling machines and servicing of fire protection equipment.

(i) Assembly

Assembly of fire protection systems and equipment was the largest revenue contributor which accounted for RM37.00 million (46.42%), RM35.77 million (46.94%) and RM30.72 million (48.42%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively. We assemble the following types of fire protection systems and equipment:

- fire suppression system using CO₂ and HFC-227ea as extinguishing agents; and
- fire protection equipment including fire extinguishers using CO₂ (hand portable and trolley mounted), dry chemical (trolley mounted) and foam (hand portable and trolley mounted) as extinguishing agents, fire hose reels and fire hoses.

We assemble fire protection systems and fire protection equipment under our Unique, Unique227, Yama and Commander brands, as well as third party brands such as Orient and Kidde brands.

(ii) Distribution

Distribution of fire protection systems, equipment and accessories was our second largest business activity and it accounted for RM30.42 million (38.17%), RM27.92 million (36.65%) and RM20.48 million (32.29%) for the FYE 2019, FYE 2020 and FYE 2021, respectively. We distribute the following types of fire protection systems, equipment and accessories under our brands as well as third party brands:

- fire suppression system including sprinkler systems, wet and dry riser systems and hydrants, and wet chemical fire suppression system;
- fire protection accessories including fire detection and alarm devices, batteries, cabinets and fire blankets; and
- fire protection equipment namely fire hoses.

6. INFORMATION ON OUR GROUP (Cont'd)

We distribute fire suppression system and fire protection accessories under our Unique brand, which are manufactured by external parties for us under our brand. We are also an authorised distributor of third party brands of fire suppression systems, fire protection equipment and accessories including brands such as Demco, System Sensor, Ansul, CD, Viking, Kidde and ZYfire. We also distribute third party brands of fire protection accessories including GP and Program, which are not under authorised distributorships.

(iii) Manufacturing

We manufacture fire protection equipment namely, hand portable dry chemical fire extinguishers under our Unique brand. This business activity accounted for RM10.96 million (13.75%), RM11.39 million (14.95%) and RM11.14 million (17.55%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

(iv) Other activities

Revenue from other activities accounted for RM1.32 million (1.66%), RM1.11 million (1.46%) and RM1.10 million (1.74%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively. Our other business activities include assisting in Bomba eFEIS application, sales of dry chemical fire extinguisher refilling machines and servicing of fire protection equipment.

6.4.2.2 Revenue by products

Our revenue segmentation by types of products are as follows:

	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Assembly	37,000	46.42	35,773	46.94	30,725	48.42
Fire suppression systems ⁽¹⁾	21,950	27.54	21,113	27.71	19,417	30.60
Fire protection equipment ⁽²⁾	15,050	18.88	14,660	19.23	11,308	17.82
Distribution	30,419	38.17	27,918	36.65	20,483	32.29
Fire suppression systems ⁽³⁾	23,348	29.30	20,691	27.16	14,739	23.23
Fire protection accessories ⁽⁴⁾	7,071	8.87	7,168	9.41	5,550	8.75
Fire protection equipment ⁽⁵⁾	-	-	59	0.08	194	0.31
Manufacturing	10,957	13.75	11,392	14.95	11,135	17.55
Fire protection equipment ⁽⁶⁾	10,957	13.75	11,392	14.95	11,135	17.55
Others ⁽⁷⁾	1,323	1.66	1,111	1.46	1,101	1.74
TOTAL	79,699	100.00	76,194	100.00	63,444	100.00

Notes:

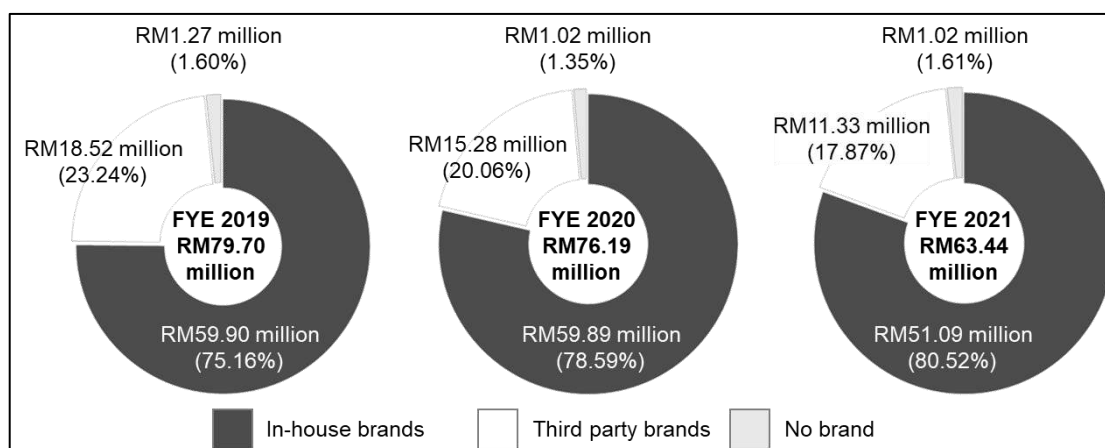
- (1) Assembly of fire suppression systems include those that are using CO₂ and HFC-227ea extinguishing agents.
- (2) Assembly of fire protection equipment include fire hose reels, fire hoses and fire extinguishers. Fire extinguishers we assemble include those that are using CO₂ (hand portable and trolley mounted), dry chemical (trolley mounted) and foam (hand portable and trolley mounted).

6. INFORMATION ON OUR GROUP (Cont'd)

- (3) Distribution of fire suppression systems include sprinkler systems, wet and dry riser systems and hydrants, and wet chemical fire suppression system.
- (4) Distribution of fire protection accessories include fire detection and alarm devices, batteries, cabinets and fire blankets.
- (5) Distribution of fire protection equipment namely fire hoses.
- (6) Manufacture of fire protection equipment namely dry chemical (hand portable) fire extinguishers.
- (7) Others include assisting in Bomba eFEIS application, sales of dry chemical fire extinguisher refilling machines and servicing of fire protection equipment.

6.4.2.3 Revenue by brands

We are mainly an assembler, distributor and manufacturer of our brands of fire protection systems, equipment and accessories. We also assemble and distribute third party brands of fire protection systems, equipment and accessories. Our revenue segmentation by our brands and third party brands are set out below:

Revenue segmentation by brands

We sell our products under our brands and third party brands as follows:

Business activities and products	Own brand	3rd party brand
Assembly		
Fire suppression system		
CO ₂	Unique	n.a
HFC-227ea	Unique227	Orient; Kidde
FK5112 ⁽¹⁾	Unique5112	Kidde
Fire protection equipment		
Fire extinguishers		
CO ₂ (hand portable and trolley mounted)	Unique	n.a
Dry chemical (trolley mounted)	Unique	n.a
Foam (hand portable and trolley mounted)	Unique	n.a
Fire hose reel	Unique	n.a
Fire hose	Yama; Commander	n.a

6. INFORMATION ON OUR GROUP (Cont'd)

Business activities and products	Own brand	3rd party brand
Distribution		
Fire suppression system		
Sprinkler system	n.a	CD; Viking
Wet and dry riser system, and hydrant	Unique ⁽²⁾	n.a
Wet chemical fire suppression system	n.a	Kidde; Ansul ⁽¹⁾
Fire protection accessories		
Fire detection and alarm devices		
<i>Electronic sounder and beacon</i>	n.a	Demco
<i>Fire alarm bell</i>	Unique ⁽²⁾	Demco
<i>Heat detector</i>	Unique ⁽²⁾	System Sensor
<i>Smoke detector</i>	Unique ⁽²⁾	System Sensor
<i>Fire control panel</i>	Unique ⁽²⁾	Program
<i>Twin flashing light</i>	Unique ⁽²⁾	n.a
Others		
Battery	Unique ⁽²⁾	GP
Cabinet	Unique ⁽²⁾	n.a
Fire blanket	Unique ⁽²⁾	n.a
Fire protection equipment		
Fire hose	n.a	ZYfire
Manufacturing		
Fire protection equipment		
Fire extinguisher - dry chemical (hand portable)	Unique	n.a
Other activities		
Sales of dry chemical fire extinguisher refilling machines	Unique ⁽²⁾	n.a
Assisting in Bomba eFEIS applications and servicing of fire protection equipment	*	*

Notes:

(1) We did not record any sales of Unique or Kidde brands of FK5112 fire suppression system and Ansul brand of wet chemical fire suppression systems for the Financial Years Under Review. We only started to market FK5112 fire suppression system in the first half of 2021. Sales of Ansul brand of wet chemical fire suppression system was made subsequent to the FYE 2021.

(2) We do not manufacture these products. The products are manufactured by external manufacturers for us under our brand.

n.a = not applicable

* We provide assistance for Bomba eFEIS applications and servicing of fire protection equipment upon our customers' request, therefore no brand is associated with these services.

6. INFORMATION ON OUR GROUP (Cont'd)

For the FYE 2019, FYE 2020 and FYE 2021, the majority of our revenue was from our brands which collectively accounted for 75.16%, 78.59% and 80.52% of our total revenue respectively.

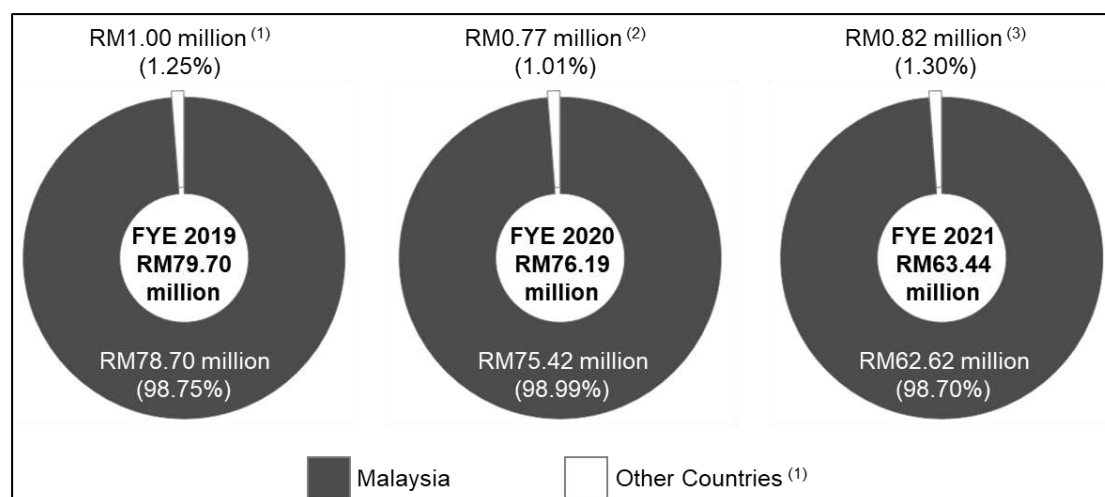
Third party brands collectively accounted for 23.24%, 20.06% and 17.87% of our revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

The remainder of our revenue was contributed by other activities where brand was not applicable save for sales of dry chemical fire extinguisher refilling machines.

6.4.3 Principal Market

Our principal market of operations is Malaysia. Our revenue segmentation by geographical markets during the Financial Years Under Review is as follows:

Revenue segmentation by geographic markets



Notes:

- (1) For the FYE 2019, other countries comprised Vietnam, Myanmar, Cambodia, USA, Brunei and Singapore.
- (2) For the FYE 2020, other countries comprised Myanmar, Vietnam, Bangladesh, Singapore, Cambodia, Brunei and Indonesia.
- (3) For the FYE 2021, other countries comprised Hong Kong, Vietnam, Cambodia, Brunei and Indonesia.

Malaysia was our largest market as it accounted for 98.75%, 98.99% and 98.70% of our total revenue for FYE 2019, FYE 2020 and FYE 2021, respectively.

Foreign countries accounted for the remaining 1.25%, 1.01% and 1.30% of our total revenue for FYE 2019, FYE 2020 and FYE 2021, respectively. Our largest foreign markets for each year during the Financial Years Under Review were as follows:

- Vietnam for FYE 2019 with revenue of RM0.47 million (0.59%);
- Myanmar for FYE 2020 with revenue of RM0.22 million (0.28%); and
- Hong Kong for FYE 2021 with revenue of RM0.53 million (0.83%).

6. INFORMATION ON OUR GROUP (Cont'd)**6.4.4 Distribution Channel**

The indirect distribution channel is where our customers are intermediaries that purchase our fire protection systems, equipment and accessories for installation or maintenance of their customers' properties and assets, as well as retailers and wholesalers who resell our products to their customers.

- M&E and FPS contractors procure our products to be installed as part of the fire protection system of buildings, infrastructure and other facilities. They do so on behalf of building and asset owners, property developers or their representatives such as main contractors and M&E consultants.

M&E consultants are normally engaged by property or asset owners, property developers or main contractors to design the building's fire protection system (as part of its M&E system), which includes selecting the types and/or brands of fire protection systems, equipment and accessories to use. In this respect, the purchases made by M&E and FPS contractors would follow the specifications of the M&E consultants. Ultimately, the final decision makers for fire protection system, equipment and accessories are the property or asset owners, or property developers;

- FPS maintenance service providers are usually engaged by building owners and property developers to maintain their fire protection system, and purchase our products to provide this service; and
- Retailers and wholesalers purchase our products to resell to their customers.

M&E and FPS contractors mainly operate in the building construction and property development industries, where they are engaged as part of new building construction and remodelling or renovations.

With the direct distribution channel, we sell our products to end-users and vehicle manufacturers. End-users include property and asset owners, individuals and households. Vehicle manufacturers purchase our fire extinguishers to equip their commercial vehicles.

The revenue contribution from our direct and indirect distribution channels for the Financial Years Under Review is summarised in the following table:

Distribution Channel	FYE 2019		FYE 2020		FYE 2021	
	RM '000	%	RM'000	%	RM'000	%
Indirect	74,818	93.88	71,375	93.68	59,732	94.15
M&E and FPS contractors	53,464	67.08	50,953	66.87	42,128	66.40
FPS maintenance service providers	21,136	26.52	20,063	26.33	17,254	27.20
Retailers and wholesalers	218	0.28	359	0.48	350	0.55
Direct	4,881	6.12	4,819	6.32	3,712	5.85
End-users	4,880	6.12	4,816	6.32	3,664	5.78
Vehicle manufacturers	1	#	3	#	48	0.07
TOTAL	79,699	100.00	76,194	100.00	63,444	100.00

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

M&E = Mechanical and Electrical.

FPS = Fire Protection Systems.

Less than 0.01%.

6.4.5 Overview of fire protection systems and classes of fire

6.4.5.1 Fire protection systems

Fire protection systems and equipment are intended to protect built environments from fire to protect lives while preventing or minimising property and asset damage. This is achieved by preventing the fire from breaking out, or in the event of a fire, extinguishing, suppressing or preventing the fire from spreading.

Generally, fire protection is classified as either active or passive fire protection. The fire protection systems, equipment and accessories that we assemble, distribute and manufacture are under the active fire protection segment.

Active fire protection systems, equipment and accessories are designed to extinguish or suppress fires. They can be further categorised into automatic and manual systems and equipment.

(i) **Automatic systems** detect fires automatically and act without human intervention against the fire. They typically incorporate the following components designed to operate automatically:

- sensor system and devices to automatically detect smoke or elevated temperature;
- alarm system to warn building occupants and people in the vicinity, as well as fire safety monitoring personnel; and
- fire suppression system to extinguish or suppress the fire.

We supply the following types of automatic active fire protection systems and accessories:

- fire suppression systems including:
 - CO₂ and HFC fire suppression systems;
 - sprinkler systems;
 - wet chemical fire suppression systems; and
- fire detection and alarm devices.

(ii) **Manual systems and products** require humans to operate to extinguish or suppress fires. We supply the following types of manual active fire protection systems and equipment:

- fire extinguishers;
- wet and dry riser systems, and hydrants (under fire suppression systems); and
- fire hose reel and fire hoses.

6.4.5.2 Classes of fire

According to the Malaysian Standard (MS), fires are categorised into six classes as follows:

Class of fire and examples of combustible materials	
Class A <ul style="list-style-type: none"> Fires involving solid materials, usually of an organic nature 	Class D <ul style="list-style-type: none"> Fires involving combustible metals (examples: lithium, potassium, magnesium, titanium and zirconium)

6. INFORMATION ON OUR GROUP (Cont'd)

Class of fire and examples of combustible materials	
Class B <ul style="list-style-type: none"> Fires involving flammable liquids or liquefiable solids 	Class E <ul style="list-style-type: none"> Fires involving energised electrical equipment
Class C <ul style="list-style-type: none"> Fires involving flammable gases 	Class F <ul style="list-style-type: none"> Fires involving cooking media in cooking appliances (examples: vegetable or animal oils and fats)

We supply fire protection systems and equipment designed to combat Class A, B, C, E and F fires. We do not carry fire protection systems or equipment to combat Class D fires as such fires are mainly a risk for certain types of industrial facilities, and we have not received many enquiries for systems and equipment for use against Class D fires.

6.4.6 Overview of our products

The following table summarises the fire protection systems and equipment and their respective extinguishing agents that we assemble, distribute and manufacture:

Our fire protection systems and equipment	Extinguishing agent	Classes of fire
Fire extinguishers		
Dry chemical	Monoammonium phosphate	Class A, B, C and E
CO ₂	CO ₂	Class B and E
Foam	Aqueous film-forming foam	Class A and B
Fire suppression systems		
CO ₂	CO ₂	Class B and E
HFC	HFC-227ea	Class A, B and E
FK5112 ⁽¹⁾	FK5112	Class A, B and E
Wet chemical	Potassium carbonate	Class F
Sprinkler	Water ⁽²⁾	Class A
Wet and dry riser systems, and hydrants	Water ⁽²⁾	Class A
Fire hose reel and fire hoses		
Fire hose reel	Water ⁽²⁾	Class A
Fire hoses	Water ⁽²⁾	Class A

Notes:

- (1) We only started marketing FK5112 fire suppression system in the first half of 2021.
 (2) Our fire protection systems are used with an external water supply.

6.4.7 Assembly of fire protection systems and equipment

Revenue from the assembly of fire protection systems and equipment accounted for RM37.00 million (46.42%), RM35.77 million (46.94%) and RM30.72 million (48.42%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

We assemble the following types of fire protection systems and equipment:

- fire suppression system using CO₂ and HFC-227ea as extinguishing agents; and

6. INFORMATION ON OUR GROUP (Cont'd)

- fire protection equipment including fire extinguishers using CO₂ (hand portable and trolley mounted), dry chemical (trolley mounted) and foam (hand portable and trolley mounted) as extinguishing agents, fire hose reels and fire hoses.

Please refer to Section 6.19 of this Prospectus for information on our Bomba certifications.

6.4.7.1 Fire Suppression Systems

Revenue from the assembly of fire suppression systems accounted for RM21.95 million (27.54%), RM21.11 million (27.71%) and RM19.42 million (30.60%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

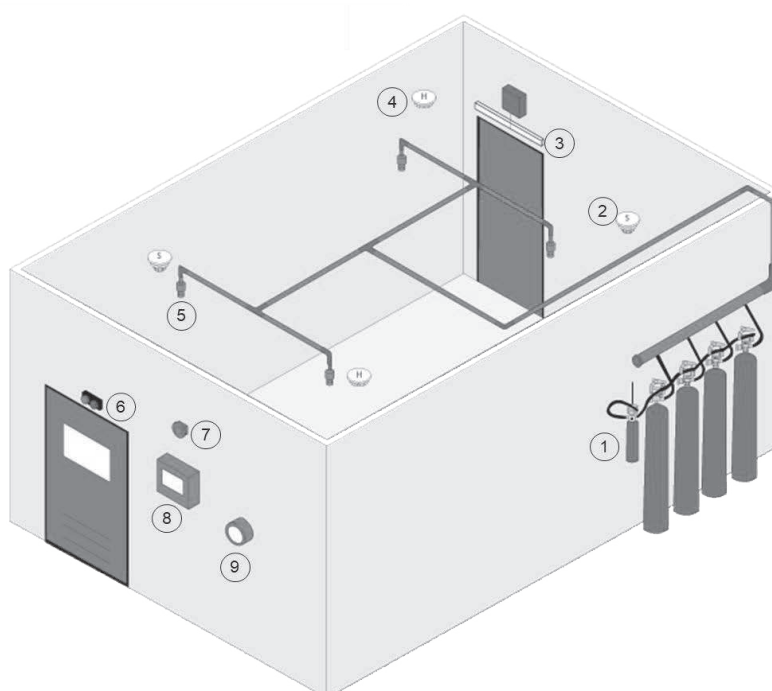
We assemble CO₂ and HFC fire suppression systems which are automatic systems designed to detect fire and discharge an extinguishing agent to suppress or extinguish fires in an enclosed area. They are mainly used to protect critical areas that are at risk of electrical fires. These fire suppression systems are suitable as they do not cause damage to electrical equipment and other assets, do not leave behind residues and do not conduct electricity.

(i) CO₂ Fire Suppression Systems

CO₂ fire suppression systems are mainly used in enclosed areas that are normally not occupied by people, such as electrical, battery and generator rooms. The systems that we supply comprise the following main components:

- CO₂ stored in one or more cylinders equipped with release valves, and installed outside of the target enclosed areas;
- gas discharge nozzles at the target enclosed areas;
- smoke curtains designed to seal doors to prevent smoke and gas from leaving the affected area;
- fire detection system comprising heat and smoke detectors in strategically located positions;
- fire alarm system, such as audible and/or visual alarms;
- manual pull station or key switch to manually activate the system; and
- control panel for monitoring and controlling the fire suppression system.

A typical layout for our CO₂ fire suppression system



6. INFORMATION ON OUR GROUP (Cont'd)

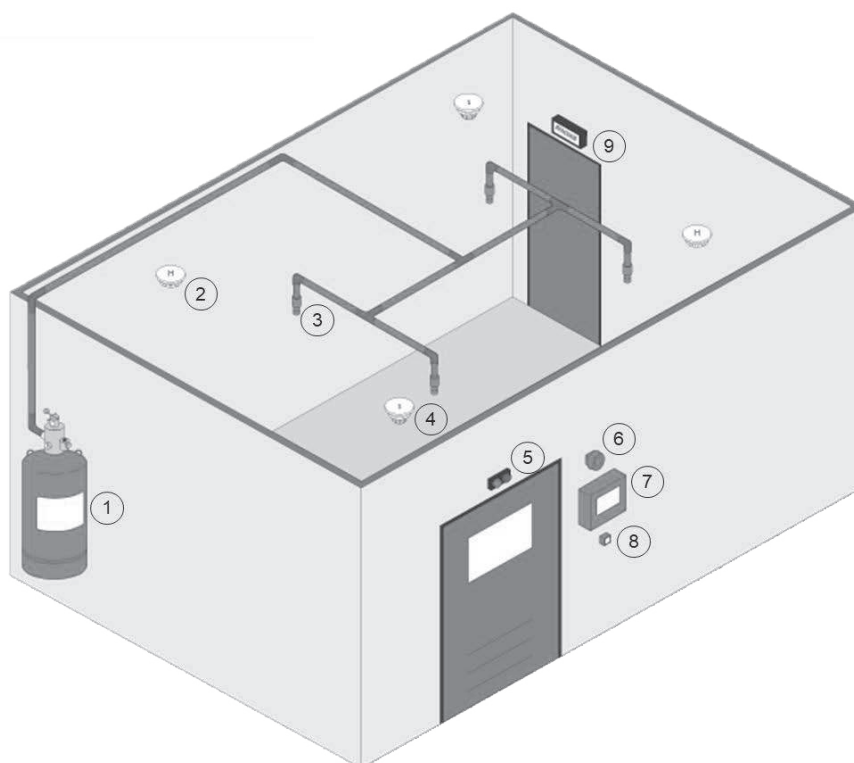
1. Cylinders filled with CO₂ extinguishing agent. 2. Smoke detector. 3. Smoke curtain. 4. Heat detector. 5. Discharge nozzle. 6. Twin flashing light. 7. Alarm bell. 8. Control panel. 9. Manual pull station.

The fire detection system is designed to activate the system when the ambient temperature and/or smoke level exceeds a predetermined limit within an enclosed area. The alarm system is triggered immediately to warn people who may happen to be in the room at that time that a fire may have started and to promptly evacuate. After a pre-determined delay to allow any people who may happen to be in the room at that time to exit the area, the CO₂ is discharged under pressure through the piping network and is subsequently discharged through the nozzles to fill the room with CO₂, which displaces oxygen from around the fire, thereby extinguishing or suppressing the fire. As CO₂ requires a higher concentration to extinguish or suppress the fire as compared to HFC, more cylinders of CO₂ are required as compared to cylinders of HFC to provide fire protection for enclosed areas of the same size. The smoke curtain is also deployed at the same time to seal the enclosed area and prevent smoke and gas from escaping. The system can also be activated manually.

We assemble the CO₂ fire suppression systems under our Unique brand. We purchase the empty cylinders, CO₂, and other parts and components from external suppliers. The entire system is then supplied to our customers as a total package, excluding pipes and fittings. We do not provide any installation services for the CO₂ fire suppression system. Our CO₂ fire suppression systems are rated to protect enclosed areas against Class B and E fires.

(ii) HFC Fire Suppression Systems

Our HFC fire suppression systems are rated to protect areas against Class A, B and E fires and they function similarly to CO₂ fire suppression systems. HFC fire suppression systems are usually used in enclosed areas where people are normally present, such as substations, server rooms, data centres, museums and hospitals.

A typical layout for our HFC fire suppression system

6. INFORMATION ON OUR GROUP (Cont'd)

1. Cylinders filled with HFC extinguishing agent. 2. Heat detector. 3. Discharge nozzle. 4. Smoke detector. 5. Twin flashing light alarm. 6. Alarm bell. 7. Control panel. 8. Key switch. 9. Evacuate sign.

HFC extinguish or suppress fires by removing heat from the fire, thereby cooling them to the point where burning cannot continue. As HFC requires a lower concentration to extinguish or suppress fire compared to CO₂, fewer cylinders of HFC are required to provide fire protection in enclosed areas of the same size.

For our assembly of HFC fire suppression systems we purchase extinguishing agents, empty cylinders with valves, blank nozzles and parts from the following suppliers:

- Orient Corporation Pte Ltd from Singapore, for our Unique227 and Unique5112 brands, and their Orient brand; and
- Kidde-Fenwal Inc. from the United States, for their Kidde brands.

We assemble the systems by filling the empty cylinders and integrating the relevant parts and components, and packaging them to provide a complete system to meet the specifications of our customers. Our HFC fire suppression systems do not include pipes and pipe fittings, and we do not provide installation services.

Within the assembly of HFC fire suppression systems, revenue from our Unique227 brand amounted to 80.82%, 96.88% and 92.55% of the revenue from the assembly of HFC fire suppression systems for the FYE 2019, FYE 2020 and FYE 2021, respectively. The remainder were from the third party Orient and Kidde brands.

We obtained various certifications for our HFC fire suppression systems which are sold under our Unique227 brand as follows:

- UL certification, which certifies that our fire suppression systems comply with the relevant UL standards, is focused on product safety and performance. This certification was issued on 8 March 2016.
- FM Approvals certification, which certifies that our fire suppression systems comply with applicable FM Approval standards. FM Approvals is also involved in testing and certifying products that meet their property loss prevention standards. FM Approval certifications may be required by some insurance providers as a condition of coverage. The FM Approval was granted on 9 July 2021.
- SGP certification, which certifies that our fire suppression systems comply with the specified requirements of TNB technical specifications and are accepted for use in TNB system. This certificate was renewed on 8 April 2021 and is valid until 22 February 2024. We have been SGP certified since 23 February 2018. A valid SGP certification is required to supply our fire suppression system to TNB.

6.4.7.2 Fire protection equipment

Revenue from the assembly of fire protection equipment accounted for RM15.05 million (18.88%), RM14.66 million (19.23%) and RM11.31 million (17.82%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

6. INFORMATION ON OUR GROUP (Cont'd)

(i) Fire hose reels and fire hoses

The fire hose reels and fire hoses that we assemble are for manual operation to fight against fires in large and multilevel buildings and facilities.

(a) Fire hose reels

A fire hose reel is used to store a pre-attached fire hose and is intended to be used by building occupants to fight small fires. They are supplied by water permanently attached to a source of water connected to a wet or dry riser system. For further information on wet and dry riser systems, please refer to Section 6.4.8.1 (ii) of this Prospectus.

The main components of our fire hose reel include the following:

- drum where the pre-attached hose is wound around for ease of dispensing when needed;
- side plates on both ends of the drum;
- swing arm and brackets to attach the drum to the wall;
- valve to control the flow of water; and
- synthetic rubber hose, nozzles and clips to convey and manually direct the flow of water.



A fire hose reel can be housed in a lockable cabinet for protection and security. We assemble fire hose reels which involve sourcing drum side plates and other parts, and carry out internal powder coating of the side plates before putting together the parts to create the complete fire hose reels. Our fire hose reels are sold under our Unique brand.

(b) Fire hoses

Our fire hoses comprise the hose, couplings and nozzles. Fire hoses are designed to connect to a landing valve of a wet or dry riser system or hydrant, which supplies the water. Fire hoses are usually stored in cradles or cabinets that are installed next to landing valves and pillar hydrants.

A fire hose differs from a fire hose reel in the following respects:

- fire hose does not need a drum;
- fire hose has a larger diameter, for example, our Yama and Commander fire hoses have diameters of between 40 mm and 65 mm, compared to 25 mm for our Unique fire hose reels;
- fire hose can be extended by joining several lengths together using couplings, while fire hose reel has a fixed length;
- fire hose must be connected to a landing valve or hydrant for water supply;
- fire hose is intended to be used by trained personnel, such as firefighters.

6. INFORMATION ON OUR GROUP (Cont'd)

We assemble fire hoses, couplings, nozzles and other parts into a complete product as depicted below:

Our brands of fire hoses



Yama

Commander

Commander

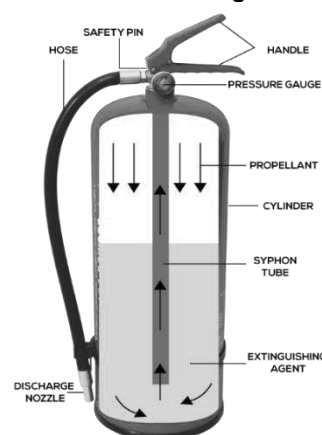
We assemble fire hoses that are marketed under our Commander and Yama brands.

(ii) Fire Extinguishers

Fire extinguishers are a type of manually operated and portable fire protection equipment designed to extinguish or suppress small fires, usually in an emergency. They can be hand portable or trolley mounted to be wheeled directly to the affected area. A fire extinguisher consists of the following main components:

- Fire extinguisher cylinder that contains the syphon tube, propellant and extinguishing agent;
- Fittings including handle, pressure gauge, safety pin, and hose and discharge nozzle.

A cut-away diagram of a handheld fire extinguisher



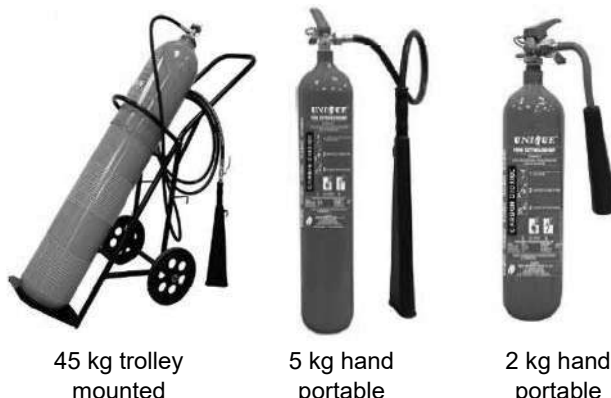
The fire extinguishers that we supply are used to provide fire protection mainly for residential, commercial, industrial and institutional properties, and public amenities, facilities and infrastructure.

(a) CO₂ fire extinguishers

We use CO₂ as one of our extinguishing agents for our fire extinguishers. The CO₂ is stored under pressure, and when the safety pin is removed and the handle is depressed the CO₂ is discharged through the syphon tube, hose and discharge nozzle. CO₂ displaces oxygen from around the fire, thereby extinguishing or suppressing the fire.

Our CO₂ fire extinguishers

We purchase the cylinders for our assembly of CO₂ fire extinguishers where we will then put together the parts and fill the cylinder with CO₂. During the Financial Years Under Review and as at the LPD, we assembled two (2) kg and five (5) kg hand portable and 45 kg trolley mounted CO₂ fire extinguishers.



45 kg trolley mounted

5 kg hand portable

2 kg hand portable

6. INFORMATION ON OUR GROUP (Cont'd)

Our CO₂ fire extinguishers are sold under our Unique brand. They are rated for use against Class B and E fires. The two (2) kg and five (5) kg hand portable CO₂ fire extinguishers that we assemble are SIRIM certified as compliant with the relevant MS standards.

(b) Dry chemical fire extinguishers (trolley mounted)

We assemble 25 kg and 45 kg trolley mounted dry chemical fire extinguishers, where we purchase the empty cylinders, dry chemical extinguishing agent, compressed nitrogen and parts from external suppliers. The parts are put together with the empty cylinders, following which it is filled with the extinguishing agent and compressed nitrogen and assembled with the trolley.

Our dry chemical fire extinguishers are sold under our Unique brand. They are rated for use against Class A, B, C and E fires.

Our trolley mounted dry chemical fire extinguishers**(c) Foam fire extinguisher**

Our foam fire extinguishers use a mixture of foam concentrate and water as the extinguishing agent, with compressed nitrogen as the propellant. When the safety pin is removed and the handle is depressed, the compressed nitrogen will propel the foam concentrate and water out through the syphon tube and propel them through the hose and discharge nozzle. At the same time, the concentrate is mixed with the water to produce the foam. The foam will blanket the fire and prevent oxygen from reaching the fuel, which extinguishes or suppresses the fire.

We assemble foam fire extinguishers by using purchased empty cylinders and parts, and we fill the cylinders with the concentrate and compressed nitrogen as the propellant.

Our foam fire extinguishers

During the Financial Years Under Review, we assembled and supplied nine (9) Litre hand portable and 45 Litre trolley mounted foam fire extinguishers. We marketed our foam fire extinguishers under our Unique brand. They are rated for use against Class A and B fires. As at the LPD, we have discontinued assembling, marketing and selling foam fire extinguishers as the revenue contribution was small and has been declining during the Financial Years Under Review, having accounted for RM0.22 million (0.28%), RM0.22 million (0.28%) and RM0.14 million (0.22%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021 respectively.

6. INFORMATION ON OUR GROUP (Cont'd)

6.4.8 Distribution of Fire Protection Systems, Equipment and Accessories

Revenue from the distribution of fire protection systems, equipment and accessories accounted for RM30.42 million (38.17%), RM27.92 million (36.65%) and RM20.48 million (32.29%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

We distribute fire protection systems, equipment and accessories under Unique brand where the products are sourced from external manufacturers, as well as third party brands.

Please refer to Section 6.19 of this Prospectus for information on our Bomba certifications.

6.4.8.1 Fire suppression systems

Revenue from the distribution of fire suppression systems accounted for RM23.35 million (29.30%), RM20.69 million (27.16%) and RM14.74 million (23.23%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

We distribute the following types of fire suppression systems:

- sprinkler systems;
- wet and dry riser systems, and hydrants; and
- wet chemical fire suppression systems.

(i) Sprinkler systems

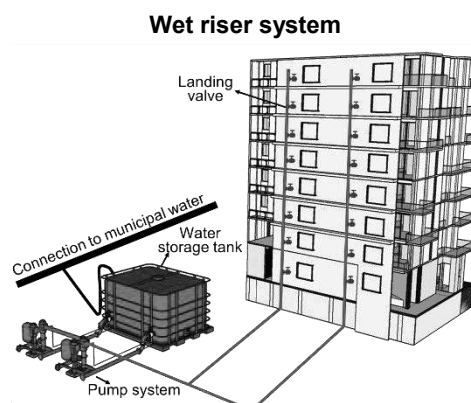
A sprinkler system consists of a fixed water pipe network installed commonly throughout occupied or critical areas of a building with sprinkler heads attached at specified locations along with the piping network. These are automatic fire protection systems that use water to extinguish or suppress fires. The water pipe network for a sprinkler system may be supplied by a wet or dry riser system or the mains water supply. Sprinklers are designed to activate when a predetermined heat level is reached, spraying the area around the sprinkler with water. They activate independently and as a result, only sprinklers that are close to the fire will operate, which minimises water damage in areas that are not affected by the fire.

We are an authorised distributor of third party CD and Viking brands of sprinkler systems. We also distribute water flow switches and detectors (which are used as part of some sprinkler systems) under the third party System Sensor brand.

During the Financial Years Under Review and up to the LPD, we supplied our customers with the complete sprinkler system set or a combination of the components listed above, depending on their requirements. We did not supply pipes and fittings, and we did not provide installation services for sprinkler systems.

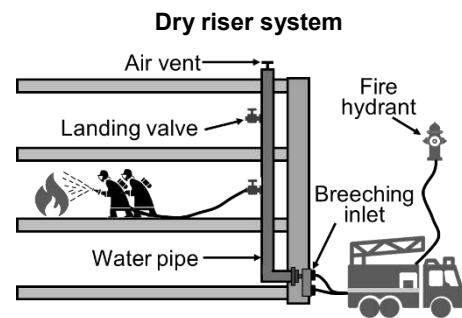
(ii) Wet and dry riser systems, and hydrants

Wet and dry riser systems consist of a fixed network of water pipes and other components that is designed to supply water throughout the building as part of its fire protection system. Wet and dry riser systems are commonly used in commercial, industrial and low and high-rise residential properties.



6. INFORMATION ON OUR GROUP (Cont'd)

Wet riser systems are installed in buildings that are more than 30 meters high. In a wet riser system, the pipes are constantly filled with water from a pressurised supply, which comprises a water storage tank and pumps at the ground level. The water storage tank is connected to the mains water supply. The wet riser system is intended to provide an immediate supply of water to landing valves or pressure regulating valves for firefighting purposes.



A dry riser system is similar to a wet riser system with the key exception that the pipes do not contain water when it is not in use. To function, water must be pumped, commonly using a firefighting vehicle, into the system through one or more breeching inlets. The water is then distributed throughout the building through the piping works. Dry riser systems are usually installed in low rise buildings less than 30 meters in height.

We distribute wet and dry riser systems under our Unique brand and they include the following:

- Breeching inlets (dry riser): These are commonly located outside of buildings such that water may be pumped through the breeching inlets to fill the dry riser pipework with water for firefighting.
- Landing and pressure regulating valves (wet and dry riser): They are outlets in the pipework to supply water to connected hoses for firefighting. Landing or pressure regulating valves may be located in protected areas such as stairwells, lobbies and enclosures. In a multilevel building, at least one landing or pressure regulating valve will be made available at each level of the building.

Our wet and dry riser systems do not include pipes and pipe fittings, and we do not provide installation services.

We also distribute fire hydrants under our Unique brand. Hydrants are a type of connection point that is installed outdoors, typically in accessible public areas, that is connected to water mains to provide water supply to firefighters. They are equipped with connection points for firefighters to attach fire hoses.



Breaching inlet



Landing valve



Pressure regulating valve



Hydrant

6. INFORMATION ON OUR GROUP (Cont'd)

(iii) Wet chemical fire suppression systems

The wet chemical fire suppression systems that we distribute are automatic systems that are used in commercial kitchens to protect against Class F fires that involve cooking oils and fats.

We are the authorised distributor of wet chemical fire suppression systems under the third party Kidde and Ansul brands.

The system comprises the following main components:

- wet chemical extinguishing agent in storage cylinder;
- nozzles to spray the wet chemical onto the fire;
- piping works connecting the wet chemical storage cylinder to the nozzles;
- automatic release mechanism;
- remote manual activation switch; and
- fire alarm.

The automatic release mechanism contains fusible metal links, which melt and separate when the heat level around the mechanism reaches a specific level (for example due to a nearby fire). This activates the system, releases the pressurised gas stored in the cartridge, forces the wet chemical from the storage tank and sprays it onto the fire through the nozzles. The wet chemical consists of potassium carbonate (for the third party Range Guard brand) or a mixture of inorganic salts (for the third party Ansul brand) that are dissolved in water. The wet chemical extinguishes the fire by forming a soapy layer that blankets the burning oil and prevents oxygen from reaching the fire.

We supply wet chemical fire suppression systems as complete systems, which comprise the main components listed above together with piping and fittings. We do not carry out the installation of the system.

6.4.8.2 Fire protection accessories

Revenue from the distribution of fire protection accessories accounted for RM7.07 million (8.87%), RM7.17 million (9.41%) and RM5.55 million (8.75%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

We distribute the following types of fire protection accessories:

- fire detection and alarm devices; and
- other fire protection accessories.

(i) Fire detection and alarm devices

Fire detection and alarm devices are designed to detect the presence of fire or smoke and subsequently, warn of the danger. They may be connected to other fire protection systems, for example, sprinkler systems, CO₂ or HFC fire suppression systems, or installed on a standalone basis.

We distribute the following types of fire detection and alarm devices:

- electronic sounders and beacons under third party Demco brand;
- heat and smoke detectors under our Unique brand and third party System Sensor brand;
- fire alarm bells under our Unique brand and third party Demco brand;
- fire control panels under our Unique brand and third party Program brand; and
- twin flashing lights under our Unique brand.

6. INFORMATION ON OUR GROUP (Cont'd)

We are an authorised distributor for third party System Sensor and Demco brands.

Some of our Unique brand of fire detection and alarm devices



Unique heat detector

Unique smoke detector

Unique twin flashing lights

Unique alarm bell

(ii) Other fire protection accessories

Other fire protection accessories that we distribute include the following:

- batteries, which are used as backup electric power for fire detection, alarm and control panels. We obtained UL certification for our batteries under our Unique brand, issued on 19 November 2019. We distribute batteries under our Unique brand and third party GP brand;

Some of the cabinets we distribute



Fire extinguisher cabinet Fire hose cabinet Breeching inlet cabinet

- cabinets, are lockable metal enclosures to secure and protect fire protection equipment such as fire extinguishers, fire hose reels, fire hoses, and breeching inlets. We distribute cabinets under our Unique brand; and
- fire blankets, which we distribute under our Unique brand.

6.4.8.3 Fire protection equipment

We also distribute fire hoses under a third party brand namely ZYfire, which comprises synthetic rubber fire hoses and couplings. Revenue from the distribution of fire protection equipment namely fire hoses accounted for RM0.06 million (0.08%) and RM0.19 million (0.31%) of our total revenue for the FYE 2020 and FYE 2021, respectively. We did not make any sales of ZYfire brand of fire hoses in FYE 2019 as we were only appointed as an authorised distributor for this brand of fire hoses in 2020.

6. INFORMATION ON OUR GROUP (Cont'd)

6.4.9 Manufacture of fire protection equipment

Revenue from the manufacture of fire protection equipment namely hand portable dry chemical fire extinguishers which accounted for RM10.96 million (13.75%), RM11.39 million (14.95%) and RM11.14 million (17.55%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

Please refer to Section 6.19 of this Prospectus for information on our Bomba certifications.

We manufacture dry chemical fire extinguishers that use monoammonium phosphate as the extinguishing agent and compressed nitrogen as the propellant. They are stored under pressure inside the cylinder of the fire extinguisher.

When the safety pin is removed and the handle is depressed, the compressed nitrogen will drive the dry chemical through the syphon tube and propel it through the hose and discharge nozzle. The dry chemical prevent oxygen from reaching the fire, thereby extinguishing or suppressing it.

Our hand portable dry chemical fire extinguishers



We manufacture the cylinders for one (1) kg, two (2) kg, four (4) kg, six (6) kg and nine (9) kg hand portable dry chemical fire extinguishers. We put together the parts and fill the cylinders with dry chemical and compressed nitrogen. Our manufacturing process includes metal cutting, blanking, pressing, welding and powder coating for the hand portable dry chemical fire extinguisher cylinders. We have in-house filling machines to fill the cylinders with dry chemicals and compressed nitrogen.

We also manufacture one (1) kg and two (2) kg hand portable dry chemical fire extinguishers with custom designed graphics to target end-users. These are designed to be aesthetically pleasing for use in homes and vehicles and are sold under our Unique brand. We apply the custom designed graphics onto the cylinders using our in-house wet painting machine, where liquid paint is sprayed onto the cylinder in a fine mist.

Examples of our custom graphics designed fire extinguishers



Our hand portable dry chemical fire extinguishers are sold under our Unique brand. They are rated for use against Class A, B, C and E fires. The one (1) kg, two (2) kg, four (4) kg, six (6) kg and nine (9) kg hand portable dry chemical fire extinguishers that we manufacture are SIRIM certified as compliant with the relevant MS standards.

6. INFORMATION ON OUR GROUP (Cont'd)

6.4.10 Other activities

Revenue from other activities accounted for RM1.32 million (1.66%), RM1.11 million (1.46%) and RM1.10 million (1.74%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively. During the Financial Years Under Review, our other activities include assisting in Bomba eFEIS application, sales of dry chemical fire extinguisher refilling machines and servicing of fire protection equipment.

6.5 MODES OF OPERATION AND WARRANTIES

6.5.1 Modes of operation

Our business activities during the Financial Years Under Review were based on the following modes of operation:

- purchase orders; and
- walk-in and online sales.

Purchase order

Our mode of operation for sales of fire protection systems, equipment and accessories to our customers is mainly based on lump sum purchase orders (PO). We receive PO from our customers which include, among others, payment terms and schedule, and warranty terms (where relevant). We will collect a deposit of up to 50% of the sales price for goods that are not in our inventory that we have to order from the respective supplier. We do not collect deposits for goods that are in our inventory. Customers are invoiced upon delivery of goods.

Walk-in and online sales

Our walk-in and online sales are based on lump sum sales orders as follows:

- walk-in customers will visit our head office, make their purchases and pay via cash, credit card or debit card;
- online customers will place their orders either:
 - . on our e-commerce website and pay either through credit card, debit card, payment gateways or direct online banking from participating banks; and
 - . on third party e-commerce platforms and we will be paid by the e-commerce platform operator within 14 days after the goods have been delivered.

6.5.2 Product warranties

(i) Our brands

We provide product warranty against manufacturing defects for products that we supply under our brands which are as follows:

- typically, we provide a one(1)-year warranty which commences from the date of delivery of our products;
- two(2)-year warranty for infrastructure projects which commences from date of certification of line completion, which is when the MRT 1, MRT 2 or LRT 3 line is certified as completed; and
- five(5)-year warranty for Unique227 fire suppression systems that are sold to customers for installation in TNB facilities. The five (5)-year warranty period which commences from the date of installation of the system and after each maintenance date, is a requirement of TNB for our Unique227 fire suppression systems.

6. INFORMATION ON OUR GROUP (Cont'd)

During the Financial Years Under Review, customers have made claims against our brand of products amounting to RM8,995, RM17,824 and RM17,664 for FYE 2019, FYE 2020 and FYE 2021, respectively.

(ii) Third party brands

Product warranty for the third party brands that we assemble and distribute ranges from one (1) to three (3) years depending on the products and these are provided by the respective brand owners. As for fire suppression systems for installation in TNB facilities, this is similar to the above five(5)-year warranty as required by TNB.

During the Financial Years Under Review, customers have made claims against third party brands of products amounting to RM33,017, RM21,303 and RM51,779 for FYE 2019, FYE 2020 and FYE 2021, respectively.

6.6 OPERATIONAL FACILITY

The location of our operational facility is as follows:

Subsidiaries	Main Functions	Approximate Built-up Area (sq. ft)	Address
UFI and UDI	Head office, manufacturing facility and warehouse.	131,310	9, Jalan Anggerik Mokara 31/55 Kota Kemuning, Seksyen 31 40460 Shah Alam, Selangor

6.7 MAJOR MACHINERY AND EQUIPMENT

Our main machinery and equipment used in our manufacturing operations are as follows:

Main equipment and tools	Brief description	Number of units	NBV as at FYE 2021 (RM)	Age of our Machinery * (years)
Manufacturing fire extinguishers				
Blanking machine	Used to punch standardised profiles from steel sheets	5	23,601	14
Deep drawing machine	Used to shape blanked steel into a cylinder	3	-	14 to 15
Cylinder fabrication machine	Includes automated trimming machine and base insertion machine that welds the cylinder and the bottom base together	3	2	14
Welding machine	Includes automated neck ring and bottom base welding machine to weld the neck ring and bottom with the cylinder body	14	8	13 to 14

6. INFORMATION ON OUR GROUP (Cont'd)

Main equipment and tools	Brief description	Number of units	NBV as at FYE 2021 (RM)	Age of our Machinery * (years)
Assembly of fire hoses				
Fire hose binding machine	Used to bind the fire hose	7	4,000	6
General manufacturing usage				
Powder coating system	Used to powder coat cylinders, drum plates and other steel parts	2	2	8
Refilling and related machines	For filling empty cylinders with dry chemical, CO ₂ or HFC extinguishing agents	11	53,451	14

Note:

- * Age of machinery as at FYE 2021. The average useful lifespan of the major equipment and tools listed above cannot be determined as they can operate for long period of time as long as proper maintenance are performed from time to time.

6.8 SALES AND MARKETING

Our marketing strategy and activities are focused on the following:

Market positioning

- We will continue to build our in-house brand equity by conducting marketing and promotional campaigns that are directed towards increasing market awareness and educating our target customers comprising M&E and FPS contractors, FPS maintenance providers, retailers and wholesalers, as well as end-users such as property and asset owners, individuals and households, and vehicle manufacturers. We are committed to assisting and understanding our customers' requirements so that we can continue to provide a positive customer experience and respond to customer requests in a prompt manner.
- We will continue to build on the market acceptance and track record that our in-house brands have developed over the years, as evidenced by our in-house brands having accounted for 75.16%, 78.59% and 80.52% of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively. Our Unique brand has been in the market since 2003, while our Commander and Yama brands since 2000, and we introduced our Unique227 brand in 2016. As at the LPD, we have also commenced marketing our Unique5112 brand of fire suppression systems.
- We position ourselves as a comprehensive supplier of active fire protection systems, equipment and accessories that are normally used to protect buildings, structures, infrastructure, amenities, facilities and vehicles from fire. We supply general systems and equipment such as fire extinguishers, hose reels and fire hoses, wet and dry riser systems, and hydrants and sprinkler systems, as well as more specialised systems such as CO₂, HFC and wet chemical fire suppression systems. The range of fire protection systems, equipment and accessories that we assemble, distribute and manufacture cover Class A, B, C, E and F fires.

6. INFORMATION ON OUR GROUP (Cont'd)

- We will continue to maintain service quality for our customers in terms of making sure all orders are delivered accurately and on time, and ensuring that all products that are assembled and manufactured in-house, and sourced from external suppliers meet the required quality requirements.
- We will keep up with regulatory changes to ensure that our products remain relevant in the market. In this respect, we started to market our new Unique5112 brand in 2021, which uses FK5112 as the extinguishing agent to gradually replace our current HFC fire suppression systems. This is in keeping with the Government's commitment to phase out the use of HFC progressively and for HFC usage to be reduced by 80% by 2045 with usage frozen at a baseline as of 1 January 2024 (*Source: Industry Overview*). As at January 2022 we have not received any specific timeline from the Government relating to the phasing out of HFC. As such, we expect that sales of FK5112 systems will gradually replace the sales of HFC-227ea systems. Consequently, we are marketing Unique5112 as an alternative, as FK5112 does not contribute towards global warming.

We have obtained FM Approvals certification and Bomba certification for our Unique5112 fire suppression systems, and we are currently in the process of obtaining SGP certification for our Unique5112 so that they can be supplied for installation at TNB facilities. This is to ensure that we are ready to supply our Unique5112 systems when required by our customers. We expect to obtain SGP certification for our Unique5112 by December 2022. We believe that our customers will accept Unique5112 as they are similar in application, design and working principal to our Unique227 systems, with the exception of the type of extinguishing agent used. Furthermore, fire suppression systems that use FK5112 systems are generally the most cost effective option to HFC-227ea systems for similar applications, and we believe that customers will choose FK5112 systems, such as Unique5112, when HFC-227ea systems are no longer available due to the phase-out described above. The financial impact of replacing Unique227 with Unique5112 is expected to be minimal as we can use the same filling machine and nozzle drilling station, and our distributorship agreement with Orient Corporation already covers Unique5112.

- We also have third party brands to complement our brands to provide a wider range of products and brands.

Marketing activities

- Maintain good working relationships with our customers by maintaining communication, constantly, providing a high level of service quality and ensuring that all of their orders are fulfilled promptly and accurately.
- Work together with M&E and FPS contractors and FPS maintenance service providers to fulfil requirements for fire protection system. We will also market our products to the M&E consultants who selects the types and/or brand of fire protection systems, equipment and accessories to use as well the ultimate decision makers namely the property or asset owners or property developers.
- Proactively contact and conduct sales meetings with existing and prospective customers to understand their requirements, secure sales and maintain good working relationships.
- Follow-up on customer referrals that we receive from existing customers, suppliers and other contacts.

6. INFORMATION ON OUR GROUP (Cont'd)

Our sales and marketing team is headed by Marcus Liew, our Executive Director in charge of sales and marketing, with a team of 12 employees focused on sales and business development as of the FYE 2021. This team includes three (3) engineers to address customers' technical requirements.

We participated in local exhibitions and tradeshow to promote and market our products and showcase our in-house brands. We also organise courses and seminars to educate prospective customers and decision makers. The exhibitions, tradeshow courses and seminars that we have participated in since 2018 include the following:

Year	Event	Location
2018	International Fire Conference & Exhibition Malaysia (IFCEM) 2018	Subang Jaya, Selangor
2018	Kuala Lumpur International Halal Expo 2018	Kuala Lumpur
2019	Half-day Course on Selecting the Right Type of Suppression System for Industrial Kitchen (jointly-organised by us and The Institute of Engineers Malaysia (IEM))	Kuala Lumpur
2021	Online seminar on Viking sprinkler systems jointly organised by us and The Viking Corporation (Far East) Pte Ltd	Conducted online

6.9 PRODUCTION OUTPUT, CAPACITY AND UTILISATION

6.9.1 Manufacture of hand portable dry chemical fire extinguisher

We manufacture hand portable dry chemical fire extinguishers at our Operational facility in Shah Alam, Selangor. The methodology used to calculate capacity, actual usage and utilisation rates is as follows:

- annual capacity is calculated based on 10.25 working hours per day from Monday to Friday, and 7.50 working hours per day on Saturday, for 52 weeks per year.
- actual output is the number of units of hand portable dry chemical fire extinguishers manufactured during the respective FYEs; and
- utilisation rate is calculated by dividing the actual output by the annual capacity.

	Annual Capacity (units)	Actual Output (units)	Utilisation Rate (%)
FYE 2019			
Main machinery and equipment:			
<i>Blanking Machine</i>	341,250	185,145	54.25
<i>Deep drawing machine</i>	300,300	185,145	61.65
<i>Cylinder fabrication machine</i>	273,000	185,145	67.82
<i>Welding machine</i>	210,000	185,145	88.16
<i>Powder coating system</i>	819,000	185,145	22.61
<i>Refilling and related machines</i>	273,000	185,145	67.82
Overall capacity and output	210,000	185,145	88.16

6. INFORMATION ON OUR GROUP (Cont'd)

	Annual Capacity (units)	Actual Output (units)	Utilisation Rate (%)
FYE 2020			
Main machinery and equipment:			
<i>Blanking Machine</i>	341,250	153,570	45.00
<i>Deep drawing machine</i>	300,300	153,570	51.14
<i>Cylinder fabrication machine</i>	273,000	153,570	56.25
<i>Welding machine</i>	210,000	153,570	73.13
<i>Powder coating system</i>	819,000	153,570	18.75
<i>Refilling and related machines</i>	273,000	153,570	56.25
Overall capacity and output	210,000	153,570	73.13
FYE 2021			
Main machinery and equipment:			
<i>Blanking Machine</i>	341,250	175,856	51.53
<i>Deep drawing machine</i>	300,300	175,856	58.56
<i>Cylinder fabrication machine</i>	273,000	175,856	64.42
<i>Welding machine</i>	210,000	175,856	83.74
<i>Powder coating system</i>	819,000	175,856	21.47
<i>Refilling and related machines</i>	273,000	175,856	64.42
Overall capacity and output	210,000	175,856	83.74

The overall utilisation rate of the main machinery and equipment is 88.16%, 73.13% and 83.74% for the FYE 2019, FYE 2020 and FYE 2021, respectively. The overall actual output and utilisation rate for the FYE 2020 decreased compare to FYE 2019 was mainly due to the following reasons.

- During FYE 2019, we manufactured approximately 20,000 units of hand portable dry chemical fire extinguishers for stocking purposes as we anticipated that sales of these products would increase during FYE 2020; and
- We did not manufacture hand portable dry chemical fire extinguishers from 18 March 2020 to 30 March 2020 due to the temporary closure of our Operational Facility pursuant to MCO 1.0.

6.9.2 Our other business activities

Measurements of capacity and utilisation do not apply to the assembly of CO₂ and foam fire extinguishers, CO₂ and HFC fire suppression systems, and fire hose reels and fire hoses as these systems and equipment are assembled using materials, parts and components that are purchased from suppliers. The process of assembling these systems and equipment does not utilise specialised in-house machinery or processes and are instead dependent on manpower to carry out the assembly work. In addition, the assembly of CO₂ and HFC fire suppression systems are assembled to order, as and when orders are received. Consequently, measurements of capacity and utilisation do not apply to the assembly of these fire suppression systems and equipment.

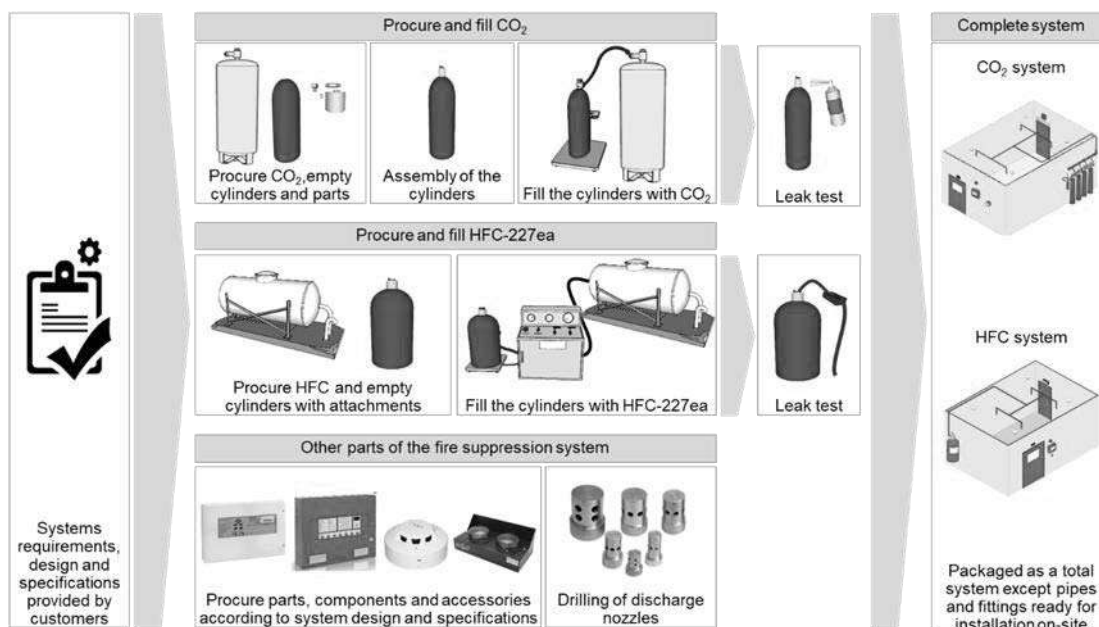
Measurements of capacity and utilisation do not apply to our distribution of fire protection systems business, as we mainly maintain some inventory to meet purchase orders from customers, or order the products as and when purchase orders are received.

6. INFORMATION ON OUR GROUP (Cont'd)

6.10 PROCESS FLOW

6.10.1 Assembly of CO₂ and HFC fire suppression systems

The general process flow for assembling CO₂ and HFC fire suppression systems is as follows:



The assembling of a CO₂ or HFC fire suppression system starts with the system requirements, design and specifications provided by our customers who are M&E or FPS contractors. Once we obtained the purchase order, we will procure all relevant materials that make up the whole fire suppression system from our suppliers. The typical timeframe, from receiving the system requirements, design and specifications from the customer up to packaging the complete system ready for delivery, is approximately 4 working days, and for the assembly of HFC fire suppression system, it is approximately 5 working days.

- **Procure and fill CO₂**

- **Procurement**

To assemble CO₂ fire suppression systems, we would procure the CO₂ as the extinguishing agent, empty cylinders, valves and other parts. Our CO₂ is transported and stored in storage tanks. Upon receiving the empty cylinders, a visual inspection is conducted against the approved drawings and applicable procedures for product acceptance. The cylinder surface is inspected to ensure that it is free from any sign of cracked, burred, dented, deformation or critical defects. The empty cylinder will be weighed and the tare weight recorded.

- **Processing**

After the inspection, we will put together the parts to form the valve and tighten it onto the cylinder. A charging hose with a valve will be used to connect the CO₂ storage tank to the empty cylinder for filling purposes. The CO₂ will be pumped into the cylinder through the fill adapter. The weight will be continuously monitored as the CO₂ is pumped in until the desired weight is reached, where the charging hose valve and charge valve will be closed. The cylinders will be

6. INFORMATION ON OUR GROUP (Cont'd)

kept for more than 24 hours before having the weight recorded. The valves of the filled cylinders are sprayed with soap solution to detect leakages, and any leaks detected are reworked.

- **Finishing**

A final inspection would be conducted to ensure the completeness of assembly, finishing and to ensure all external parts are assembled and properly fitted in place. The serial number and the batch number of the fire extinguishers will be recorded, where they will be signed and certified by the responsible supervisor.

• **Procure and fill HFC**

This process is similar to procure and fill CO₂ except that the empty cylinders are purchased with attachments, the extinguishing agent used is HFC-227ea and the method of filling the gas and conducting leak test uses different machinery.

We have two (2) HFC filling machines which is used for the following processes:

- for our Unique227 fire suppression systems, where the filling machine conforms to UL procedures so that the Unique227 fire suppression systems that we assemble are UL certified, which certifies that they comply with the relevant UL standards, is focused on product safety and performance; and
- for third party Kidde brand fire suppression systems, where the filling machine conforms to UL and FM procedures so that the Kidde fire suppression systems that we assemble are UL certified and FM Approvals certified, which certifies that they comply with applicable FM Approval standards. FM Approvals is also involved in testing and certifying products that meet their property loss prevention standards. FM Approval certifications may be required by some insurance providers as a condition of coverage.

After filling, the filled cylinders are inspected with a handheld leak detection device, and any leaks that are discovered are reworked.

• **Other parts of the fire suppression system**

We would procure other parts, components and accessories which include, among others, context plus, control panels, smoke detectors and flashing lights.

We will also drill the blank nozzles to form drilled discharge nozzles, which will be installed at strategic locations along with the piping system on-site. The size of the blank discharge nozzles and drill bits will be selected according to the specified diameter of the holes in the nozzles. The drilled nozzles will also be labelled with the pipe thread type of the nozzle, the discharge pattern and hole size. The discharge pattern can be either 180° side wall or 360° central.

Our nozzle drilling station for our Unique227 fire suppression system conforms to UL procedures.

We will carry out a visual inspection and if necessary, functional tests of the products procured, which would be conducted against the specifications for product acceptance. We do not provide pipes and fittings, as they are provided by the M&E or FPS contractors. For the drilled discharge nozzles, we will also ensure the finishing surface is free from any sign of cracking, deformation, burred, and no sharp or rough edge.

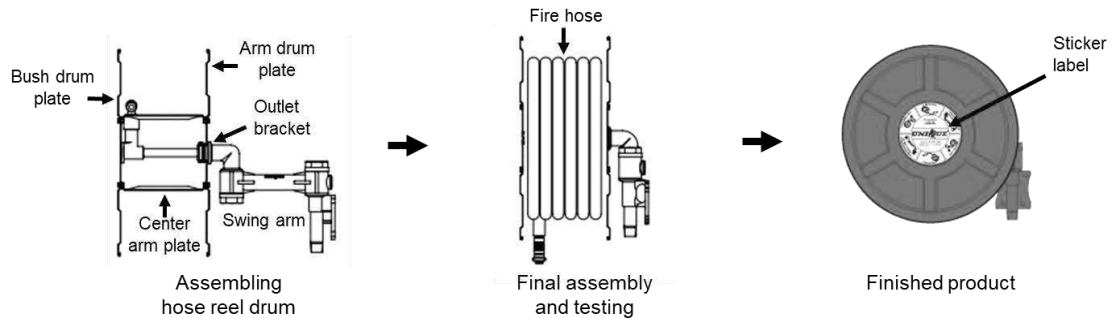
6. INFORMATION ON OUR GROUP (Cont'd)

- **Complete system**

Once the CO₂ or HFC cylinders have been completed, and all other specified parts and components and accessories are collected, they will be packaged as a complete system and delivered to the specified location.

6.10.2 Assembling fire hose reels

The general process flow for assembling fire hose reels is as follows:



The typical timeframe to assemble a batch of 1,000 fire hose reels is approximately 6 working days.

The assembly of a fire hose reel starts with the hose reel drum.

- **Assembling hose reel drum**

The batch marking number at the outlet bracket is checked before initiating the marking process. We firstly apply mixed adhesive to the entire outlet pipe thread and fit it into the outlet bracket thread. The outlet bracket is kept for 24 hours to ensure that the adhesive is cured.

The swingarm is then attached and put together through the inlet bracket, centre arm bracket and outlet bracket at the designated place. The swingarm will undertake a pressure test to ensure there is no leakage. Internal pressure will be applied at approximately $20 \pm \text{two (2) bars}$ and held for one (1) minute.

After the pressure test, the swing arm will be hung on the conveyor system and go through the pre-treatment chemical wash before the powder coating process with a minimum powder thickness of $50\mu\text{m}$. The hose reel drum plates also go through the same powder coating process as the swingarm.

The bush body and elbow bush are attached with self-lock pins. The bush body is then attached to the bush drum plate and blind rivets are placed into the four holes on the bush body and rivet. The sticker label will be placed on the bush drum plate at the designated place.

The swingarm bracket, drum plates, centre plate bracket and arm collar are put together to form the hose reel drum. We will test and turn the drum plate clockwise and anti-clockwise to check the functionality of the hose reel drum.

- **Final assembly and testing**

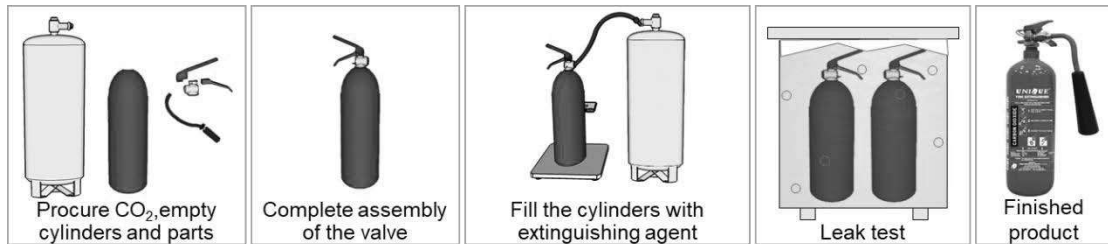
The hose reel drum will be placed on a testing jig. The hose will be attached to the outlet of the bush body, where the hose will be wound onto the hose reel drum and the nozzle will be fixed at the end of the hose. We will conduct a pressure test on the

6. INFORMATION ON OUR GROUP (Cont'd)

fire hose reel system to ensure that there are no leaks. A performance test will be conducted for one (1) in 500 units to ensure the quality of the fire hose reel follows the relevant standards and specifications.

6.10.3 Assembly of hand portable CO₂ fire extinguishers

The general process flow for the assembly of hand portable CO₂ fire extinguishers is as follows:



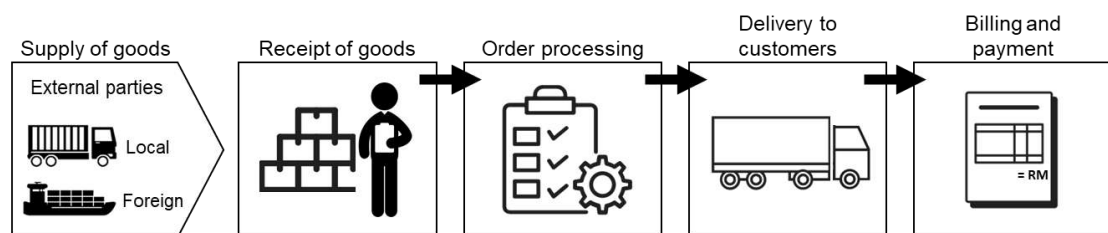
The typical timeframe to assemble a batch of 2,500 hand portable CO₂ fire extinguishers is 6 working days.

This process is similar to the procure and fill CO₂ processes described in Section 6.10.1, except for the following:

- the valve parts are different;
- the leak test conducted is through immersing the entire fire extinguisher into a water tank, and checking if there is any leakage in the form of air bubbles;
- The accepted cylinder units will be attached with a discharge horn;
- a performance discharge test will be performed based on the ISO Acceptable Quality Level sampling standard; and
- the fire extinguisher will then be sent to undergo silkscreen label printing.

6.10.4 Distribution of fire protection systems, equipment and accessories

We distribute our brand and third party products. The general process flow for the distribution of fire protection systems, equipment and accessories is as follows:



The typical timeframe to complete an order for fire protection systems, equipment and accessories, from receiving the purchase order to packing the order ready for delivery or pick-up, is approximately 2 working days for goods that we have in our inventory at our warehouse. The typical timeframe for the order of goods that are not in our inventory will depend on the delivery lead time from the respective suppliers, which is as follows:

- delivery lead time for local suppliers is between three (3) and five (5) days if they have the goods in their inventory, and approximately 30 days if they do not have the goods in their inventory;
- for foreign suppliers, delivery lead time is between 14 to 30 days (subject to vessel transit time) if they have the goods in their inventory, and between 60 to 120 days (subject to vessel transit time) if they do not have the goods in their inventory.

6. INFORMATION ON OUR GROUP (Cont'd)

- **Supply of goods**

For the distribution of our brand and third party products, we source them from domestic and foreign manufacturers and suppliers. We will send the purchase order to the respective suppliers upon placing orders.

We use our ERP system to monitor our inventory levels. The minimum inventory level for each product is maintained based on our history of sales records. When a product's inventory level falls below the minimum level, the ERP system will automatically place an order with the relevant supplier. On average, we will replenish the products once every two (2) to three (3) months depending on orders received from our customers.

- **Receipt of goods**

We receive goods at our warehouse where they go through visual inspection. A stock count of the incoming goods is conducted to ensure the quantity received is equivalent to the amount stated in the delivery order from the supplier. The goods received are then entered into our computer system, and payment to suppliers would be made at this stage.

- **Order processing**

Upon receipt of the customer's purchase order, we will collect the relevant items from the warehouse and pack them ready for delivery.

Once we have all the required items for the purchase order, we would create a delivery order to accompany the items ready for delivery. General warranty can be referred to on the overleaf of the delivery order.

- **Delivery to customers**

A final quantity check is made against the delivery order issued before delivery. Customers have the option of picking up their orders at our warehouse or having their orders delivered to their choice of locations. Delivery of orders is not subject to minimum order size. End-user customers or new customers would typically make their own arrangements to pick-up or have the order delivered to their location. We typically charge a customer an additional delivery charge for delivering the order to their location. We mainly use our in-house fleet of lorries to deliver the goods to our customers in the Klang Valley. We engage third party logistics services providers to deliver goods to customers in other locations.

Upon receipt of goods, the customer is required to sign and stamp the delivery order as proof of delivery. The signed delivery order is returned to us for documentation and record-keeping purposes.

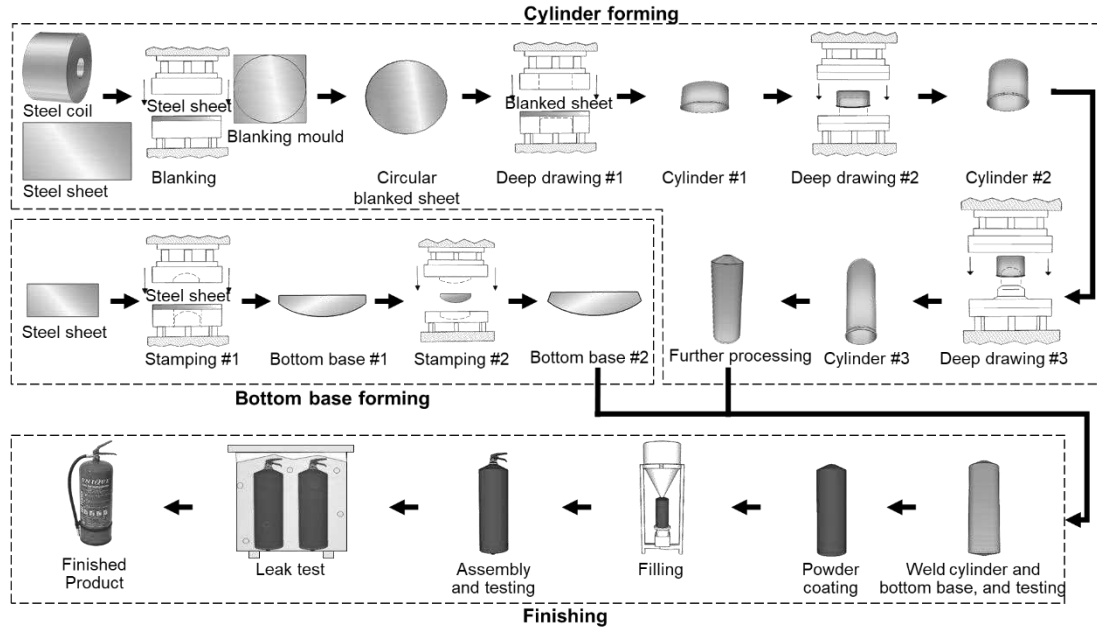
- **Billing and payment**

The accounts department will then prepare the sales invoice matched against the signed and stamped delivery order and subsequently sent out to the customer. The accounts department will record all payments received in our computer system, as well as keeping relevant documents for documentation and record-keeping purposes.

6. INFORMATION ON OUR GROUP (Cont'd)

6.10.5 Manufacturing hand portable dry chemical fire extinguishers

The general process flow for manufacturing hand portable dry chemical fire extinguishers is as follows:



The typical timeframe to manufacture a batch of 4,000 dry chemical fire extinguishers is approximately 6 working days.

The manufacture of dry chemical fire extinguishers starts with steel coils and steel sheets.

- #### Cylinder forming

The steel coil is used to form the cylinder of the nine (9) kg hand portable dry chemical fire extinguisher, while steel sheet is used to form the cylinder of the one (1) kg, two (2) kg, four (4) kg and six (6) kg hand portable dry chemical fire extinguisher.

The process of forming the cylinder starts with the blanking process using a blanking machine. For nine (9) kg hand portable dry chemical fire extinguisher, the steel coil is rolled to form a flat steel sheet, then it will be placed over a blanking die inside a hydraulic press and the blanking punch will impact the sheet to remove the blank, thereby forming a circular blanked sheet. For one (1) kg, two (2) kg, four (4) kg and six (6) kg hand portable dry chemical fire extinguisher, the steel sheet will also be blanked to form a circular blanked sheet. The dimension of the circular blanked sheet will be checked to ensure it follows the dimension within the specified tolerance according to the drawing specifications.

Subsequently, the circular blanked sheet will be placed into the deep drawing machines to be drawn into a cylinder shape. It will be drawn three times using three hydraulic machines consecutively to produce a long, thin cylinder. A quality check is done after every drawing to ensure that the cylinder is free from defects.

The fully drawn cylinder will be further processed including piercing, trimming, serial number marking and neck ring welding. A hole will be pierced on the top of the cylinder, forming the neck. The cylinder will then be trimmed to ensure the dimension per the drawing specification, and the serial number will be marked using a number marking machine. Lastly, neck ring welding is done to combine the upper ring with the cylinder.

6. INFORMATION ON OUR GROUP (Cont'd)

- **Forming of the bottom base**

The process of forming the cylinder bottom base starts by placing the steel sheet on the bottom base mould on the stamping press machine. The bottom base will be stamped twice to adjust the angles on the side, making them curve inwards to be better suited for the cylinders.

- **Finishing**

The formed cylinder and bottom base are then combined through insertion and welding processes. The insertion process involves a base insertion machine that ensures the bottom base is firmly fitted to the formed cylinder and the dimension is per the drawing specification. The bottom base is placed in the bottom mould and the formed cylinder is inserted into the moulding to initiate the process to produce a cylinder with a bottom base. It is then welded to ensure that the bottom base is firmly attached to the cylinder. The welding process is carried out automatically to ensure that it is aligned and no over penetration on the body and bottom base.

For every welded cylinder, a visual inspection will be conducted to ensure there is no welding spatter, the slant of neck ring or bottom base welding, at the same time ensuring a smooth finishing surface of the cylinder. A water pressure test will then be conducted on every finished cylinder, where the cylinder is filled with water and pressurised, and visually inspect to ensure that there are no visible defects such as water leaks, bulging or distortion to the base and cylinder body.

A burst test is also conducted using water through random sampling to test our cylinder's resistance to pressure. The cylinder is first filled with water, then a water pump will be connected to the cylinder through a hose coupler. The water pump will increase the water pressure in the cylinder up to the minimum internal pressure of 20 bars for 30 seconds. After that, the pressure will be increased at a rate of two (2) bars per second until the cylinder bursts. The frequency of the test sample is one (1) in 500 and the minimum burst pressure is 55 bars. If the cylinder bursts when the water pressure is lower than 55 bars, inspection and investigation will be carried out.

After conducting the first level of the quality control process, the cylinder will be powder coated. The powder coating process uses a conveyor system where the items to be coated is hung on a moving line. The item to be coated firstly go through a pre-treatment chemical wash process. This process is to ensure that surfaces to be coated are clean and free of oils, rusts, dust and other contaminants. The powder coating is then sprayed across the surface thoroughly with a distinctive red coating. Next, it will be sent to the oven for curing to ensure the powder coat adheres to the surface of the cylinder.

The coated cylinder is then filled with the dry chemical fire extinguishing agent and put together with all other parts including valves attached with pressure gauge and syphon tube. During the pressurisation process, compressed nitrogen is filled as propellant into the cylinder according to specifications. After the gas is filled, we will seal the safety pin and valve handle with a cable tie that is fitted to the valve, thereby producing a fire extinguisher. Then, a leak test will be conducted for every fire extinguisher by immersing the entire fire extinguisher into a water tank. We will conduct the test to check if there is any leakage in the form of air bubbles. The fire extinguisher will then be sent to undergo silkscreen label printing. The hose and discharge nozzle are screwed and tightened to the outlet valve, then fitted to the cylinder belt holder. A discharge test will be conducted to check the performance of the completed fire extinguisher based on the ISO Acceptable Quality Level sampling standard.

6. INFORMATION ON OUR GROUP (Cont'd)

Lastly, a final inspection will be carried out to ensure all external parts are properly fitted, the surface of the fire extinguisher is clean, all markings are clearly printed, and the pressure gauge is positioned within the green zone.

6.11 TYPES AND SOURCES OF INPUT MATERIALS AND SERVICES

The following are the main types of input materials and services that we purchased for our assembly and manufacturing, and distribution operations during the Financial Years Under Review:

Purchases of input materials and services for FYE 2019

	Value of Purchases (RM'000)	Proportion of Total Purchases (%)	Sources of Supply	
			Malaysia (RM'000)	Foreign Countries (RM'000)
Input materials for assembly and manufacturing	33,389	65.73	8,707	24,682
Empty cylinders ⁽¹⁾	10,638	20.94	92	10,546
Parts for fire hose reels and fire hoses	6,721	13.23	2,092	4,629
Extinguishing agents ⁽²⁾	5,642	11.10	1,137	4,505
Fire extinguisher parts ⁽³⁾	3,357	6.61	768	2,589
Steel coils and sheets	3,327	6.55	3,327	-
HFC fire suppression system parts ⁽⁴⁾	1,993	3.92	437	1,556
CO ₂ fire suppression system parts ⁽⁴⁾	1,711	3.37	854	857
Goods for distribution	17,384	34.22	3,852	13,532
Sprinkler systems	7,053	13.88	518	6,535
Fire protection equipment and accessories	4,812	9.47	2,678	2,134
Wet and dry riser systems, and hydrants	4,521	8.90	583	3,938
Wet chemical fire suppression systems ⁽⁵⁾	974	1.92	73	901
Fire extinguisher refilling machines	24	0.05	-	24
Testing and inspection services	32	0.05	16	16
TOTAL	50,805	100.00	12,575	38,230

Our total purchases of input materials and services for FYE 2019 amounted to RM50.81 million.

Notes:

- (1) Empty cylinders for trolley mounted dry chemical, and hand portable and trolley mounted CO₂ and foam fire extinguishers, and CO₂ and HFC fire suppression systems.
- (2) Extinguishing agents include dry chemical, nitrogen, CO₂, HFC-227ea and foam concentrate.
- (3) Parts include syphon tubes, handles, valves, hoses and discharge nozzles, and trolley parts.
- (4) Parts include discharge nozzles, valves, liquid level indicators and control panels.
- (5) Includes extinguishing agent cylinders, discharge nozzles, valves, heat detectors and control assembly.

6. INFORMATION ON OUR GROUP (Cont'd)

Purchases of input materials and services for FYE 2020				
	Value of Purchases (RM'000)	Proportion of Total Purchases (%)	Sources of Supply	
			Malaysia (RM'000)	Other Countries
Input materials for assembly and manufacturing	31,739	61.45	8,643	23,096
Empty cylinders ⁽¹⁾	10,132	19.62	13	10,119
Parts for fire hose reels and fire hoses	7,598	14.71	2,975	4,623
Extinguishing agents ⁽²⁾	6,232	12.07	964	5,268
Fire extinguisher parts ⁽³⁾	2,853	5.52	869	1,984
Steel coils and sheets	2,325	4.50	2,325	-
CO ₂ fire suppression system parts ⁽⁴⁾	1,580	3.06	1,070	510
HFC fire suppression system parts ⁽⁴⁾	1,019	1.97	427	592
Goods for distribution	19,875	38.49	3,814	16,061
Sprinkler systems	6,944	13.45	357	6,587
Wet and dry riser systems, and hydrants	5,363	10.39	661	4,702
Fire protection equipment and accessories	4,587	8.88	2,743	1,844
Wet chemical fire suppression systems ⁽⁵⁾	2,919	5.65	53	2,866
Fire extinguisher refilling machines	62	0.12	-	62
Testing and inspection services	26	0.06	13	13
TOTAL	51,640	100.00	12,470	39,170

Our total purchases of input materials and services for FYE 2020 amounted to RM51.64 million.

Notes:

- (1) Empty cylinders for trolley mounted dry chemical, and hand portable and trolley mounted CO₂ and foam fire extinguishers, and CO₂ and HFC fire suppression systems.
- (2) Extinguishing agents include dry chemical, nitrogen, CO₂, HFC-227ea and foam concentrate.
- (3) Parts include syphon tubes, handles, valves, hoses and discharge nozzles, and trolley parts.
- (4) Parts include discharge nozzles, valves, liquid level indicators and control panels.
- (5) Includes extinguishing agent cylinders, discharge nozzles, valves, heat detectors and control assembly.

6. INFORMATION ON OUR GROUP (Cont'd)

Purchases of input materials and services for FYE 2021				
	Value of Purchases (RM'000)	Proportion of Total Purchases (%)	Sources of Supply	
			Malaysia (RM'000)	Other Countries
Input materials for assembly and manufacturing	28,113	67.45	6,999	21,114
Empty cylinders ⁽¹⁾	9,949	23.87	-	9,949
Parts for fire hose reels and fire hoses	6,279	15.06	1,514	4,765
Extinguishing agents ⁽²⁾	3,862	9.27	937	2,925
Fire extinguisher parts ⁽³⁾	3,174	7.61	873	2,301
Steel coils and sheets	2,341	5.62	2,341	-
CO ₂ fire suppression system parts ⁽⁴⁾	1,675	4.02	933	742
HFC fire suppression system parts ⁽⁴⁾	833	2.00	401	432
Goods for distribution	13,542	32.49	3,530	10,012
Fire protection equipment and accessories	4,395	10.54	2,261	2,134
Sprinkler systems	4,280	10.27	540	3,740
Wet and dry riser systems, and hydrants	4,267	10.24	683	3,584
Wet chemical fire suppression systems ⁽⁵⁾	535	1.28	46	489
Fire extinguisher refilling machines	65	0.16	-	65
Testing and inspection services	27	0.06	8	19
TOTAL	41,682	100.00	10,537	31,145

Our total purchases of input materials and services for FYE 2021 amounted to RM41.68 million.

Notes:

- (1) Empty cylinders for trolley mounted dry chemical, and hand portable and trolley mounted CO₂ and foam fire extinguishers, and CO₂ and HFC fire suppression systems.
- (2) Extinguishing agents include dry chemical, nitrogen, CO₂, HFC-227ea and foam concentrate.
- (3) Parts include syphon tubes, handles, valves, hoses and discharge nozzles, and trolley parts.
- (4) Parts include discharge nozzles, valves, liquid level indicators and control panels.
- (5) Includes extinguishing agent cylinders, discharge nozzles, valves, heat detectors and control assembly.

Our purchases of input materials and services are denominated in USD, RM and SGD. Please refer to Section 11.3.3 (f) of this Prospectus for further information on the Management Discussion and Analysis including currencies in which our purchases are denominated. We are exposed to foreign currency exchange rate fluctuations as most of our revenue was denominated in RM, while our purchases of input materials and services were denominated in foreign currencies during the Financial Years Under Review. Please refer to Section 8.1.13 of this Prospectus for further information on this risk factor.

Purchases of input materials for our assembly and manufacturing operations accounted for 65.72%, 61.45% and 67.45% of our total purchases for FYE 2019, FYE 2020 and FYE 2021, respectively.

6. INFORMATION ON OUR GROUP (Cont'd)

As an assembler of fire protection systems and equipment, the input materials that we use comprise empty cylinders, parts for fire hose reels and fire hoses, extinguishing agents, fire extinguisher parts, parts for CO₂ and HFC fire suppression systems, and parts for refilling machines. As a manufacturer of fire protection equipment, namely hand portable dry chemical fire extinguishers, the input materials that we use comprise steel coils and sheets, extinguishing agents and fire extinguisher parts.

Our purchases of input materials and services for our assembly and manufacturing operations are as follows:

- Our largest purchases of input materials and services for the Financial Years Under Review comprised empty cylinders. We purchased empty cylinders for the assembly of hand portable CO₂ and foam fire extinguishers, and trolley mounted dry chemical, foam and CO₂ fire extinguishers, and HFC and CO₂ fire suppression systems. Purchases of empty cylinders accounted for 20.94%, 19.62% and 23.87% of our total purchases of input materials and services for the FYE 2019, FYE 2020 and FYE 2021, respectively.
- We purchased parts for the assembly of fire hose reels and fire hoses, such as hose reel drum parts, hoses, nozzles and parts, which accounted for 13.23%, 14.71% and 15.06% of our total purchases of input materials and services for the FYE 2019, FYE 2020 and FYE 2021, respectively.
- The extinguishing agents that we purchased include dry chemical, nitrogen, CO₂ and foam concentrate to assemble and manufacture fire extinguishers, as well as CO₂ and HFC-227ea to assemble CO₂ and HFC fire suppression systems, respectively. Extinguishing agents accounted for 11.10%, 12.07% and 9.27% of our total purchases of input materials and services for the FYE 2019, FYE 2020 and FYE 2021, respectively.
- Fire extinguisher parts including syphon tubes, handles, valves, hoses and discharge nozzles, and trolley parts are used in the assembly and manufacturing of hand portable and trolley mounted dry chemical, CO₂ and foam fire extinguishers. Purchases of these parts accounted for 6.61%, 5.52% and 7.61% of our total purchases of input materials and services for FYE 2019, FYE 2020 and FYE 2021, respectively.
- We purchase steel coils and sheets to manufacture cylinders for hand portable dry chemical fire extinguishers. We also purchased steel coils which we provide to an external party to manufacture the side plates which are used for the assembly of fire hose reel drums. Collectively, the purchase of steel coils and sheets accounted for 6.55%, 4.50% and 5.62% of our total purchases of input materials and services for FYE 2019, FYE 2020 and FYE 2021, respectively.
- The parts that we purchase to assemble CO₂ and HFC fire suppression systems include discharge nozzles, valves, liquid level indicators and control panels. Purchases of CO₂ fire suppression system parts accounted for 3.37%, 3.06% and 4.02% of our total purchases of input materials and services for the FYE 2019, FYE 2020 and FYE 2021, respectively. Meanwhile, purchases of HFC fire suppression system parts accounted for 3.92%, 1.97% and 2.00% of our total purchases of input materials and services for FYE 2019, FYE 2020 and FYE 2021, respectively.

Purchases of goods for our distribution operations accounted for 34.22%, 38.49% and 32.49% of our total purchases of input materials and services for FYE 2019, FYE 2020 and FYE 2021, respectively. Our purchases of input materials and services for our distribution operations are as follows:

6. INFORMATION ON OUR GROUP (Cont'd)

- Our largest purchases of materials for our distribution operations for the FYE 2021 was fire protection equipment and accessories, which included fire detection and alarm devices, batteries, cabinets and fire blankets which are manufactured by external parties which accounted for 9.47%, 8.88% and 10.54% of our total purchases of input materials and services for the FYE 2019, FYE 2020 and FYE 2021, respectively.
- We also purchased sprinkler system parts, including sprinklers, alarm check valves, water flow meters, switches and detectors, and supervisory and pressure switches, which accounted for 13.88%, 13.45% and 10.27% of our total purchases of input materials and services for the FYE 2019, FYE 2020 and FYE 2021, respectively.
- The wet and dry riser system, and hydrants that we purchased include landing valves, pressure regulating valves, breeching inlets, hydrants, fire hose cradles and parts which accounted for 8.90%, 10.39% and 10.24% of our total purchases of input materials and services for the FYE 2019, FYE 2020 and FYE 2021, respectively.
- Other purchases included wet chemical fire suppression systems which accounted for 1.92%, 5.65% and 1.28% of our total purchases of input materials and services for the FYE 2019, FYE 2020 and FYE 2021, respectively.
- Fire extinguisher refilling machines for dry chemical fire extinguishers accounted for less than 0.20% of total purchases of input materials and services during the Financial Years Under Review.

Testing and inspection services that we purchased included inspection by overseas independent laboratories and independent hydrostatic testing for CO₂ cylinders which accounted for less than 0.10% of our total purchases of input materials and services during the Financial Years Under Review.

Imported sources of materials accounted for 75.25%, 75.85% and 74.72% of our total purchases of input materials and services for the FYE 2019, FYE 2020 and FYE 2021, respectively, while local sources of materials accounted for 24.75%, 24.15% and 25.28% of our total purchases of input materials and services for the FYE 2019, FYE 2020 and FYE 2021, respectively.

Steel is a globally traded commodity whose market price is subject to fluctuations, and we are exposed to these fluctuations through our purchases of empty cylinders (which are made of steel), and steel coils and sheets, and other fire protection systems, equipment and accessories that are made of steel, such as parts for wet and dry riser systems, hydrants, sprinkler systems, fire hose reels and cabinets and other related products. Fluctuations in steel prices may affect our purchase prices for these items. We currently adopt a monthly pricing strategy whereby we review the prices of our fire protection systems, equipment and accessories every month to take into account, among others, the effects of changes in the price of steel and foreign exchange rates, and we adjust our prices accordingly from time to time, when required. We have been able to pass on some increases in costs to our customers in the past. Please refer to Section 8.1.5 of this Prospectus for further information on the risks of fluctuations in steel prices.

We ensure that we have sufficient supply of input materials that are made from steel by maintaining business relationships with several suppliers so that we have access to alternative sources, if required. During the Financial Years Under Review, we purchased empty cylinders, steel coils and sheets, and other fire protection systems, equipment and accessories that are made from steel from approximately 70 different suppliers for each of the Financial Years Under Review. We manage market price fluctuations of steel by having alternative suppliers of input materials, maintaining inventory of these input materials, monitoring global steel prices and timing purchases for when we believe price levels are relatively low.

6. INFORMATION ON OUR GROUP (Cont'd)

Our purchases of input materials and services by country for the Financial Years Under Review is summarised in the following table:

	FYE 2019		FYE 2020		FYE 2021	
	RM '000	%	RM'000	%	RM'000	%
Malaysia	12,575	24.75	12,470	24.15	10,537	25.28
Other countries	38,230	75.25	39,170	75.85	31,145	74.72
China	23,492	46.24	25,325	49.04	23,328	55.97
USA	4,536	8.93	4,607	8.92	2,789	6.69
Taiwan	4,641	9.13	5,443	10.54	2,584	6.20
Singapore	5,330	10.50	3,485	6.75	1,918	4.60
Others ⁽¹⁾	231	0.45	310	0.60	526	1.26
TOTAL	50,805	100.00	51,640	100.00	41,682	100.00

Note:

(1) Includes Spain, Italy, Korea, India and Germany.

For the Financial Years Under Review up to the LPD, we have not experienced any shortages of input materials/goods for our assembly, distribution and manufacturing operations.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.12 EMPLOYEES

As at the LPD, our Group has a total workforce of 131 employees which consist of 90 Malaysian permanent employees and 41 contractual foreign workers. All our employees are based in Malaysia.

None of our employees belongs to any trade unions and there has been no industrial dispute since we commenced operations. A summary of our Group's total workforce by job functions as at the LPD are set out below:

Categories	Number of employees As at the LPD		
	Malaysians	Foreigners	Total
Management	14	-	14
Assembly and Manufacturing			
(a) Factory Personnel			
- Service and Maintenance	3	-	3
- Refilling / Machine Operating	9	41	50
(b) Technical and supervisory (including engineers, technicians, quality assurance personnel)	11	-	11
Sales and marketing/ business development	22	-	22
Finance and Accounting	4	-	4
Administration (including human resources, IT, other administration personnel)	5	-	5
Supply Chain (including procurement, logistics, warehousing and transportation personnel)	22	-	22
Total workforce	90	41	131

As at the LPD, all our 41 contractual foreign workers are factory personnel at our Operating Facility in Shah Alam, Selangor.

Typically, the work permits of our foreign workers carry a validity period between 7 – 11 months. As at 18 January 2022, all our contractual foreign workers employed by us have valid working permits, which are renewable periodically, and are not in breach of any immigration laws.

We require all our employees including our foreign workers to conduct RTK Antigen tests once every 14 days at our own costs in compliance with the SOP published by the National Security Council. Please refer to Section 6.17.1.3 for further information on our Group's Covid-19 testing and vaccination.

6. INFORMATION ON OUR GROUP (Cont'd)

6.13 MAJOR CUSTOMERS

Top five (5) customers for FYE 2019

	Customer	Country	Products Purchased	Amount (RM'000)	Proportion of Group Revenue (1) (%)	Length of Business Relationship * (No. of Years)
1	Nelton Engineering Sdn Bhd	Malaysia	Fire extinguishers, fire suppression systems, fire hose reels and fire hoses, wet and dry riser, hydrants, sprinkler systems and fire protection accessories	4,338	5.44	13
2	Potential Systems Sdn Bhd	Malaysia	Fire extinguishers, fire suppression systems, fire hose reels and fire hoses, wet and dry riser, sprinkler systems and fire protection accessories	2,689	3.37	11
3	Tai An Project Construction Sdn Bhd	Malaysia	Fire extinguishers, fire suppression systems, fire hose reels and fire hoses, wet and dry riser, sprinkler systems and fire protection accessories	2,149	2.70	1
4	Hup Leck M & E Sdn Bhd	Malaysia	Fire extinguishers, fire suppression systems, fire hose reels and fire hoses, wet and dry riser, and hydrants, sprinkler systems and fire protection accessories	1,759	2.21	13
5	Jebson Engineering Services Sdn Bhd	Malaysia	Fire extinguishers, fire suppression systems, fire hose reels and fire hoses, wet and dry riser, and hydrants, sprinkler systems and fire protection accessories	1,728	2.17	11
Total⁽¹⁾				12,663	15.89	

Notes:

* Length of the relationship as at the FYE 2019.

(1) Our Group's total revenue for FYE 2019 was RM79.70 million.

6. INFORMATION ON OUR GROUP (Cont'd)

Top five (5) customers for FYE 2020

	Customer	Country	Products Purchased	Amount (RM'000)	Proportion of Group Revenue (1) (%)	Length of Business Relationship * (No. of Years)
1	Potential Systems Sdn Bhd	Malaysia	Fire extinguishers, fire suppression systems, fire hose reels and fire hoses, wet and dry riser, hydrants, sprinkler systems and fire protection accessories	3,775	4.95	12
2	Nelton Engineering Sdn Bhd	Malaysia	Fire extinguishers, fire suppression systems, fire hose reels and fire hoses, wet and dry riser, hydrants, sprinkler systems and fire protection accessories	3,295	4.32	14
3	Trimax Engineering Sdn Bhd	Malaysia	Fire extinguishers, fire hose reels and fire hoses, wet and dry riser, hydrants, sprinkler systems and fire protection accessories	2,193	2.88	5
4	Kejuruteraan Cekap Selaju Sdn Bhd	Malaysia	Fire extinguishers, fire suppression systems, fire hose reels and fire hoses, wet and dry riser, hydrants, sprinkler systems and fire protection accessories	1,737	2.28	12
5	Hock Heng Fire Engineering Sdn Bhd	Malaysia	Fire extinguishers, fire suppression systems, fire hose reels and fire hoses, wet and dry riser, sprinkler systems and fire protection accessories	1,323	1.74	14
	Total⁽¹⁾			12,323	16.17	

Notes:

* Length of the relationship as at the FYE 2020.

(1) Our Group's total revenue for FYE 2020 was RM76.19 million.

6. INFORMATION ON OUR GROUP (Cont'd)
Top five (5) customers for FYE 2021

	Customer	Country	Products Purchased	Amount (RM'000)	Proportion of Group Revenue (1) (%)	Length of Business Relationship * (No. of Years)
1	Nelton Engineering Sdn Bhd	Malaysia	Fire extinguishers, fire suppression systems, fire hose reels and fire hoses, wet and dry riser, hydrants, sprinkler systems and fire protection accessories	2,382	3.75	15
2	Trimax Engineering Sdn Bhd	Malaysia	Fire extinguishers, fire suppression systems, fire hose reels and fire hoses, wet and dry riser, hydrants, sprinkler systems and fire protection accessories	1,803	2.84	6
3	Potential Systems Sdn Bhd	Malaysia	Fire extinguishers, fire suppression systems, fire hose reels and fire hoses, wet and dry riser, sprinkler systems and fire protection accessories	1,575	2.48	13
4	Kejuruteraan Cekap Selaju Sdn Bhd	Malaysia	Fire extinguishers, fire suppression systems, fire hose reels and fire hoses, wet and dry riser, hydrants, sprinkler systems and fire protection accessories	1,418	2.24	13
5	Kejuruteraan Suria Jaya Sdn Bhd	Malaysia	Fire extinguishers, fire suppression systems, fire hose reels and fire hoses, wet and dry riser, hydrants, sprinkler systems and fire protection accessories	1,045	1.65	15
	Total (1)			8,223	12.96	

Notes:

* Length of the relationship as at the FYE 2021.

(1) Our Group's total revenue for FYE 2021 was RM63.44 million.

6. INFORMATION ON OUR GROUP (Cont'd)

Dependency on Customers

We were not dependent on any of our customers during the Financial Years Under Review by virtue of their small individual contribution to our revenue during the Financial Years Under Review. Our largest customer contributed only 5.44%, 4.95% and 3.75% of our revenue for FYE 2019, FYE 2020 and FYE 2021, respectively. Our top five customers collectively only contributed 15.89%, 16.17% and 12.96% of our total revenue for FYE 2019, FYE 2020 and FYE 2021, respectively. In addition, we have a large customer base of approximately 1,500 customers, 1,600 customers and 1,700 customers for FYE 2019, FYE 2020 and FYE 2021, respectively. During the Financial Years Under Review and as at the LPD, we do not have any long-term contracts with our customers. Our customers' pre-requisites in selecting us may include, among others, whether or not the fire protection systems, equipment and accessories we supply have valid product approval certificates from Bomba, UL certification and/or FM Approved certification, meet their technical requirements, if we have the products in stock and if we are able to supply the products to meet their timeline. Historically and up to the LPD, we have not had any major disputes with our customers.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.14 MAJOR SUPPLIERS

Top five (5) suppliers for FYE 2019

	Supplier	Country	Main Types of Products Purchased	Amount (RM'000)	Proportion of Group Purchases (1) (%)	Length of Business Relationship * (No. of Years)
1	Orient Corporation Pte Ltd (2)	Singapore	Extinguishing agent, empty cylinders, HFC fire suppression system parts	5,467	10.76	3
2	Seido International Limited	Hong Kong	Empty cylinders	5,401	10.63	4
3	Shaoxing Jia Sheng Fire Fighting Equipment Co., Ltd	China	Wet and dry riser systems, and hydrants	3,910	7.70	2
4	Tashin Steel Sdn Bhd	Malaysia	Steel coils and sheets	2,970	5.85	1
5	Ningbo Joan Import & Export Co., Ltd.	China	Fire hose reel parts	2,743	5.40	4
	Total			20,491	40.34	

Notes:

* Length of the relationship as at the FYE 2019.

(1) Our total purchases of input materials and services for FYE 2019 was RM50.81 million.

(2) UFI is an authorised distributor of Orient Fire Pte Ltd, part of Orient Corporation Pte Ltd.

6. INFORMATION ON OUR GROUP (Cont'd)
Top five (5) suppliers for FYE 2020

	Supplier	Country	Main Types of Products Purchased	Amount (RM'000)	Proportion of Group Purchases (1) (%)	Length of Business Relationship * (No. of Years)
1	Orient Corporation Pte Ltd ⁽²⁾	Singapore	Extinguishing agent, empty cylinders, HFC fire suppression system parts	6,008	11.63	4
2	Seido International Limited	Hong Kong	Empty cylinders	4,626	8.96	5
3	Chang Der Fire Protection Corporation ⁽³⁾	Taiwan	Sprinkler system	4,471	8.66	10
4	Shaoxing Jia Sheng Fire Fighting Equipment Co., Ltd	China	Wet and dry riser systems, and hydrants	3,658	7.08	3
5	Kidde-Fenwal Inc. ⁽⁴⁾	United States	Extinguishing agent, HFC and wet chemical fire suppression system parts	3,140	6.08	6
Total				21,903	42.41	

Notes:

* Length of the relationship as at the FYE 2020.

(1) Our total purchases of input materials and services for FYE 2020 was RM51.64 million.

(2) UFI is an authorised distributor of Orient Fire Pte Ltd, part of Orient Corporation Pte Ltd.

(3) UFI is an authorised distributor of Chang Der Fire Protection Corporation.

(4) UFI is an authorised distributor of Kidde-Fenwal Inc.

6. INFORMATION ON OUR GROUP (Cont'd)

Top five (5) suppliers for FYE 2021

	Supplier	Country	Main Types of Products Purchased	Amount (RM'000)	Proportion of Group Purchases ⁽¹⁾ (%)	Length of Business Relationship * (No. of Years)
1	Shaoxing Domo Technology Co., Ltd	China	Empty cylinders, dry chemical	3,728	8.94	3
2	Seido International Limited	Hong Kong	Empty cylinders	3,291	7.90	6
3	Shaoxing Jia Sheng Fire Fighting Equipment Co., Ltd	China	Wet and dry riser system, and hydrants	2,879	6.91	4
4	Shandong Huachen Import and Export Trading Co., Ltd	China	Empty cylinders	2,732	6.55	3
5	Orient Corporation Pte Ltd ⁽²⁾	Singapore	Extinguishing agent, empty cylinders, HFC fire suppression system parts	2,386	5.72	5
Total				15,016	36.02	

Notes:

* Length of the relationship as at the FYE 2021.

(1) Our total purchases of input materials and services for FYE 2021 was RM41.68 million.

(2) UFI is an authorised distributor of Orient Fire Pte Ltd, part of Orient Corporation Pte Ltd.

Dependency On Suppliers

We generally rely on external manufacturers and/or suppliers for our brands of assembled and distribution products. As at the LPD, we assemble CO₂ and HFC fire suppression systems, fire extinguishers, fire hose reel and fire hoses where the parts and components are purchased from external manufacturers. As at the LPD, we distribute wet and dry riser system, and hydrant as well as fire protection accessories where the finished products are manufactured by external parties. Our major suppliers during the Financial Years Under Review who are under this category are Orient Corporation Pte Ltd, Seido International Limited, Shaoxing Jia Sheng Fire Fighting Equipment Co., Ltd, Tashin Steel Sdn Bhd, Ningbo Joan Import & Export Co., Ltd., Shaoxing Domo Technology Co., Ltd, and Shandong Huachen Import and Export Trading Co., Ltd.

6. INFORMATION ON OUR GROUP (Cont'd)

However, we are not dependent on individual suppliers, including Orient Corporation Pte Ltd, our top supplier which accounted for 10.76% and 11.63% of our total purchases of input materials and services for the FYE 2019 and FYE 2020, respectively. For the FYE 2021, our purchases from Orient Corporation Pte Ltd reduced to 5.72% of our total purchases of input materials and services. The purchases were related to extinguishing agents, empty cylinders and HFC fire suppression system parts, where we have a subsisting distribution agreement with Orient Corporation Pte Ltd which is valid until 6 January 2026. In addition, we also assemble HFC fire suppression systems from Kidde-Fenwal under their brands.

As for the remaining top five suppliers, we were not dependent on them as the types of goods and materials that we purchase such as empty cylinders, wet and dry riser systems, and hydrants and sprinkler systems can be sourced from other suppliers.

During the Financial Years Under Review, we had a total of approximately 120 suppliers during FYE 2019, approximately 120 suppliers during FYE 2020 and approximately 110 suppliers during FYE 2021. We sourced input materials and goods for distribution, such as parts for fire hose reels and fire hoses and fire protection equipment and accessories, from several suppliers during the Financial Years Under Review, and consequently no individual supplier of these input materials and goods for distribution appeared in our lists of top five suppliers for FYE 2019, FYE 2020 and FYE 2021, save for Ningbo Joan Import & Export Co., Ltd.

During the Financial Years Under Review and as at the LPD, we have long-term contracts with our major suppliers with whom we have authorised distributorships, including Orient Corporation Pte Ltd, Chang Der Fire Protection Corporation and Kidde-Fenwal Inc. Please refer to Section 6.1.2 (e) for information on authorised distributorships.

When we select our suppliers, we take into account factors such as the prospective supplier's reliability, quality of products offered in terms of specifications and complying with the relevant standards, price and payment terms, delivery and lead-times and customer service, responsiveness and flexibility. We also prefer to utilise direct manufacturers as our suppliers when it is practical to do so.

Historically and up to the LPD, we have not had any difficulty procuring input materials and goods for distribution from our suppliers.

6. INFORMATION ON OUR GROUP (Cont'd)

6.15 RESEARCH AND DEVELOPMENT

For the past three financial years and up to the LPD, we have not undertaken any research and development activity, as it is not relevant to our business.

6.16 SEASONALITY

During the Financial Years Under Review and up to the LPD, we did not experience any material seasonality in our business.

6.17 MATERIAL INTERRUPTIONS TO OUR BUSINESS

We did not experience any material interruptions to our business during the past 12 months before the LPD, except for those related to COVID-19.

6.17.1 COVID-19 pandemic

6.17.1.1 Effects of COVID-19 on our business

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020. Commencing from 18 March 2020, the Government implemented measures to reduce COVID-19 transmission in the country, which included, among others, controls on the movement of people within Malaysia, controls on international travel, and restrictions on business, government, educational, cultural, recreational and other activities. Our business operations in Malaysia were temporarily interrupted by these measures.

MCO 1.0

The first MCO period was from 18 March 2020 to 3 May 2020, and the control measures implemented included, among others, the closure of all businesses except for those classified as essential services or that have received written approval from MITI to operate, restrictions on the movement of people in Malaysia, and restrictions on international travel into and out of Malaysia.

We closed our operational facility on 18 March 2020. Our head office based staff worked from home while all activities related to assembly and manufacturing were temporarily halted. Subsequently, UFI received written approval from MITI on 27 March 2020 to resume operations at our operational facility, subject to implementing the relevant standard operating procedures (“**SOP**”) and guidelines. However, we did not resume operations during the first MCO period as most of our customers whose operations are dependent on the building construction and property development industries, namely M&E and FPS contractors, and FPS maintenance service providers, also temporarily ceased operations during MCO 1.0. This was because most building and construction worksites were closed pursuant to MCO 1.0, and consequently, building and construction activities, including installation of fire protection systems, were temporarily halted.

CMCO Period

The Government implemented the Conditional MCO (“**CMCO**”) from 4 May 2020 to 9 June 2020. The CMCO relaxed some of the controls implemented during MCO, including allowing most economic sectors to resume business operations provided that specified guidelines and SOP were followed, and to avoid large gatherings. Controls on the movement of people within Malaysia was relaxed, while restrictions on international travel were modified. We restarted work at our operational facility on 4 May 2020 at normal workforce capacity, and we operated during the CMCO period as per the relevant SOP and guidelines.

6. INFORMATION ON OUR GROUP (Cont'd)

RMCO Period

The CMCO was followed by the Recovery MCO ("**RMCO**"), which commenced on 10 June 2020 and was scheduled to end on 31 December 2020. Starting from 10 June 2020, almost all economic sectors were allowed to resume operations so long as they follow specified SOP and guidelines. The movement of people within Malaysia was relaxed further, although restrictions on international travel into and out of Malaysia remained the same as during the CMCO period.

However, during this RMCO period, the Government re-imposed CMCO measures in specific areas in response to localised surges of new COVID-19 cases. The control measures implemented in areas placed under CMCO included, among others, restrictions on the movement of people including the prohibition of inter-district travel, limiting the operating hours of certain service-based businesses, and the closure of schools.

We continued to operate at normal workforce capacity during the RMCO period following the previously established SOP and guidelines.

MCO 2.0

In response to a surge in new COVID-19 cases, commencing from 13 January 2021 Johor, Kelantan, Melaka, Sabah, Selangor, Sibu in Sarawak and Kuala Lumpur, Labuan and Putrajaya were placed under MCO restrictions, while other states and territories were placed under CMCO or RMCO restrictions. Subsequently, MCO restrictions were progressively lifted as specific states and territories were placed under CMCO or RMCO restrictions, depending on the number of new COVID-19 cases reported.

On 12 January 2021, UFI received written approval from MITI to operate at normal workforce capacity from 13 January 2021. During MCO 2.0, we continued to operate according to the previously established SOP and guidelines.

MCO 3.0

Following increases in the number of new COVID-19 cases reported, MCO restrictions were reimposed in Kelantan commencing from 16 April 2021, and to several districts and mukim in Johor, Kuala Lumpur, Penang, Sarawak, and Selangor commencing from 3 May 2021. Districts, mukim and states that were not placed under MCO restrictions were placed under CMCO or RMCO restrictions. On 10 May 2021, the MCO restrictions were extended nationwide.

On 6 May 2021, UFI received written approval from MITI to operate at normal workforce capacity from 6 May 2021. Our business operations continued to operate according to the previously established SOP and guidelines during MCO 3.0.

National Recovery Plan

On 28 May 2021, the Government announced the imposition of a nationwide full lockdown movement control order ("**FMCO**"). Under the FMCO period, all sectors were not allowed to operate during this period except for those in the essential economic and service sectors. Other control measures implemented included restrictions on the movement of people within Malaysia and internationally, and restrictions of business, economic, cultural and recreational activities.

6. INFORMATION ON OUR GROUP (Cont'd)

Subsequently, on 15 June 2021, the Government announced the National Recovery Plan ("NRP"), a phased exit strategy from the COVID-19 crisis and the MCO from June to December 2021. The NRP consists of four phases including Phase 1 which commenced from 1 June 2021 and subsequently transitioned to Phase 2 for states with lower number of new COVID-19 cases or higher vaccination rates. The Phase 2 allow the reopening of some economic sectors in stages. Social activities and movements will continue to be tightly controlled with interstate travel prohibited. This will be followed by Phase 3 where nearly all economic sectors will be allowed to operate subject to strict SOP and restrictions on the number of people allowed to be physically present at workplaces. Lastly, Phase 4 will see a full reopening of the economy, where interstate travel and domestic tourism will also be allowed.

On 1 July 2021, the Government implemented the Enhanced MCO ("EMCO") in a large part of Selangor and several localities in Kuala Lumpur from 3 July 2021 to 16 July 2021. Control measures were stricter and tighter in EMCO areas. The list of economic activities deemed as essential services in EMCO areas was reduced. On 17 August 2021, the Government revised the SOP for the manufacturing sector where workforce capacity may be increased subject to the percentage of employees that are fully vaccinated. Selangor transitioned into Phase 2, Phase 3 and Phase 4 of the NRP on 10 September 2021, 1 October 2021 and 18 October 2021, respectively.

UFI received two (2) written approvals from MITI to operate during Phase 1 of the NRP with 60% workforce capacity and operations according to the previously established SOP and guidelines (the first written approval was dated 30 May 2021 and the second written approval was dated 5 July 2021). Due to EMCO imposed in Selangor, our operations were temporarily closed from 3 July 2021 and resumed operations on 17 July 2021 at 60% workforce capacity. We then returned to normal workforce capacity commencing from 23 August 2021 as 82% of our employees were fully vaccinated as per the revised SOP on 17 August 2021. In Phase 2, Phase 3 and Phase 4, we continued to operate at normal workforce capacity based on SOP and guidelines.

Business operations guidelines and SOP

During the MCO and subsequent periods, we conducted our business operations as normal subject to the implementation of SOP to reduce the risk of COVID-19 transmission. Our SOP includes the following:

- Staff who can perform their jobs from home are encouraged to work from home, whenever possible;
- We encourage our staff to hold meeting discussions with customers and other external parties via teleconferencing whenever possible to minimise physical meetings and business travel;
- All staff and visitors to our head office and manufacturing facility have to make a health declaration (which includes their recent travel history and current health status), pass a temperature check and record the result, provide their contact information, and wear face masks before they are allowed to enter the premises. While at the premises, they have to wear face masks at all times and maintain social distancing whenever possible;
- We sanitise our operational facilities daily on working day.

As at 29 December 2021, there has been no breach of laws relating to COVID-19 restrictions or SOP which may lead to penalties by relevant authorities.

6. INFORMATION ON OUR GROUP (Cont'd)**6.17.1.2 Positive diagnosis for COVID-19**

Since 18 March 2020 and as at 29 December 2021, a total of seven (7) Malaysian employees and five (5) non-Malaysian employees have received positive diagnoses for COVID-19, all 12 of whom have recovered and returned to work as at the LPD. These positive diagnoses of COVID-19 did not result in material disruption to our business operations.

The steps that we have taken in response to an employee receiving a positive diagnosis for COVID-19 include the following:

- The employee who has received the positive diagnosis for COVID-19 (Category A staff) is required to self-quarantine and is not allowed to return to their workplace for 14 days. They must undergo a COVID-19 test at the end of that period, and are only allowed to return to the workplace after they obtain a negative test result and receive their Clearance or Discharge Letter from the Ministry of Health Malaysia.
- We conduct contact tracing to identify all close contacts of the Category A staff. Close contacts are classified as Category B, and they are immediately tested for COVID-19 and required to self-quarantine for 14 days. If the result is positive, the person is classified as Category A staff. If the result is negative, the person is still required to self-quarantine for 14 days. They are required to repeat the COVID-19 test at the end of the self-quarantine period and obtain a negative result before they are allowed to return to work.
- Employees who had close contact with Category B staff (Category C staff) are required to self-quarantine until their Category B contact completes their self-quarantine period or receives their COVID-19 test result. If the test result is negative, the Category C staff is permitted to return to the workplace. If the test result is positive, the person's classification will be changed to Category B.

We conducted full sanitisation of the workplace and department of employees who received positive diagnoses for COVID-19. Since April 2020 and up to December 2021, the costs incurred in purchasing equipment and disinfectant to carry out sanitation, and purchasing face masks, face shields and temperature scanners for SOP compliance at our head office and manufacturing facility amounted to approximately RM39,000, which is not material to our Group as it represented 0.06% of our total revenue for FYE 2021.

6.17.1.3 COVID-19 testing and vaccination

As at the LPD, we have conducted four (4) rounds of COVID-19 tests for our Malaysian and non-Malaysian employees, which are summarised in the following table:

Date	Number of Tests Conducted	Results	Cost to our Group (RM)
11 July 2020	45 non-Malaysian employees	All negative	- ⁽¹⁾
23 October 2020	92 Malaysian and 45 non-Malaysian employees	All negative	- ⁽¹⁾
4 January 2021	45 non-Malaysian employees	All negative	1,800 ⁽²⁾

6. INFORMATION ON OUR GROUP (Cont'd)

Date	Number of Tests Conducted	Results	Cost to our Group (RM)
16 April 2021	81 Malaysian and 45 non-Malaysian employees	All negative	18,270 ⁽³⁾

Notes:

- (1) Fully paid for by PERKESO.
- (2) Paid for by us and PERKESO.
- (3) Fully paid for by us.

In addition, all of our Malaysian and non-Malaysian employees will carry out COVID-19 tests via self-test kits every two (2) weeks. Since we started this program in August 2021, up to December 2021, the cost to our Group for providing our Malaysian and non-Malaysian employees with these self-test kits was approximately RM19,000, which is not material to our Group as it represented 0.03% of our total revenue for FYE 2021. As at 29 December 2021, all of our employees have been vaccinated.

6.17.1.4 Effects on our supply chain

We managed our supply chain to ensure that we will have sufficient stocks of input materials, parts and components to implement our manufacturing schedules and fulfil the delivery obligations as per our contracts and purchase orders. From 18 March 2020 and up to the LPD, we did not face any material disruptions to our supply chain that were related to COVID-19 due to our inventory forecasting and planning. In addition, our inventory levels were sufficient for normal manufacturing operations and able to meet all customers' orders without delay.

We have implemented the following measures to ensure that we have sufficient quantities of input materials at the locations where they are required for our business operations:

- We had sufficient quantities of the main input materials used in the assembly and manufacturing operations during the MCO period commencing 18 March 2020, and our assembly and manufacturing operations were not disrupted by shortages in input materials when we resumed operations on 4 May 2020. Subsequently, we were also able to make new purchases and receive delivery of these input materials without undue delay, and as a result, we did not experience any material disruptions to our assembly and manufacturing operations as at LPD.
- Similarly, we were able to meet all of our delivery obligations to our customers without delay, and as at the LPD we have not experienced any material disruptions in fulfilling our orders.

6. INFORMATION ON OUR GROUP (Cont'd)**6.17.1.5 Effects on our financial performance****FYE 2021**

Measures implemented by the Government to control the spread of COVID-19 had affected our revenue during the relevant quarters of FYE 2021, as summarised in the following table:

	Fourth Quarter FYE 2020 <i>(Jan - Mar 2020)</i>	First Quarter FYE 2021 <i>(Apr - Jun 2020)</i>	Second Quarter FYE 2021 <i>(July - Sept 2020)</i>	Third Quarter FYE 2021 <i>(Oct - Dec 2020)</i>	Fourth Quarter FYE 2021 <i>(Jan - Mar 2021)</i>
Revenue (RM'000)	15,385	7,631	18,757	19,679	17,377
Quarter-on- quarter change (%)	-	(50.40)	145.80	4.92	(11.70)

Our revenue for the first quarter of FYE 2021 declined by 50.40% compared to the fourth quarter of 2020. This was mainly due to the temporary suspension of most building construction and property development projects during MCO 1.0, which affected the demand and delivery of our products to customers. In addition, our Operational Facility in Shah Alam, Selangor was temporarily closed during MCO 1.0. The MCO 1.0 period, which was between 18 March 2020 and 3 May 2020, coincided with one (1) out of the three (3) months covered by the first quarter of FYE 2021 and we resumed operations subsequently from 4 May 2020 at normal workforce capacity, subject to the relevant SOP and guidelines.

Subsequently, our revenue for the second quarter of FYE 2021 increased by 145.80% as compared to the previous quarter following the relaxation of containment measures including the building construction and property development industries. Our revenue continued to grow during the third quarter of FYE 2021, increasing by 4.92% as compared to the previous quarter while decreasing by 11.70% in the fourth quarter of FYE 2021.

Our revenue for FYE 2021 as a whole was affected by, among others, measures taken by the Government to control COVID-19. Our total revenue for FYE 2021 decreased by RM12.75 million or 16.73% to RM63.44 million (FYE 2020: RM76.19 million). Our GP for the FYE 2021 decreased by RM5.47 million or 24.68% to RM16.69 million (FYE 2020: RM22.16 million), in line with the lower overall sales recorded due to the COVID-19 pandemic.

Notwithstanding the decrease in revenue and GP for FYE 2021, our net operating cash from operating activities was RM11.24 million for FYE 2021, partially offset by net cash for investing and financing activities of RM0.05 million and RM9.58 million, respectively, resulting in net increase in cash and cash equivalents of RM1.62 million for FYE 2021.

Our total net trade receivables stood at RM22.81 million as at 31 March 2021, out of which RM9.22 million or approximately 40.41% exceeded the normal credit term mainly due to slower collection amid the COVID-19 pandemic. Up to the LPD, we have collected RM19.90 million or 87.24% of the total net trade receivables as at 31 March 2021.

We have not faced any termination or cancellation of orders due to COVID-19 or MCO periods during FYE 2021. During FYE 2021, we received wage subsidy from SOCSO (PERKESO) under the Prihatin Rakyat Economic Stimulus Package (PrihatinPKS+) Wage Subsidy Programme amounting to RM0.24 million. Please refer to Section 11.3.2 (c) of this Prospectus for additional information on this wage subsidy.

6. INFORMATION ON OUR GROUP (Cont'd)**FYE 2022**

Between April and May 2021, our business operations were not materially affected by the COVID-19 pandemic as business sectors were allowed to operate normally (subject to adherence to relevant SOP and guidelines). However, the implementation of Phase 1 of the NRP lockdown commencing from 1 June 2021 impacted on our monthly revenue between June 2021 and July 2021 as most of our customers who are M&E and FPS contractors, and FPS maintenance service providers involved in the building construction industry were required to temporarily cease their business operations. Pursuant to the Phase 1 of the NRP, we continued to operate at 60% workforce capacity according to the specified guidelines and SOP. In addition, the temporarily closure of our operational facilities from 3 July 2021 until 16 July 2021 due to the imposition of EMCO in Selangor also impacted our revenue. We resumed operations on 17 July 2021 at 60% workforce capacity following SOP and guidelines and on 23 August 2021, at normal workforce capacity based on the revised SOP. We continued to operate at normal workforce capacity in Phase 2 and 3 of the NRP.

The interruptions to our business operations during the Phase 1 of the NRP lockdown as described above had impacted our monthly revenue performance for the month of June 2021 and July 2021. Subsequently, our revenue performance improved progressively from the month of August 2021 onwards since the resumption of our operations on 23 August 2021, where revenue for August 2021 and September 2021 increased by 103.26% and 56.64% respectively month-on-month. This is summarised in our monthly revenue for April 2021 to September 2021, as follows:

	April 2021	May 2021	June 2021 ⁽¹⁾	July 2021 ⁽²⁾	August 2021 ⁽³⁾	September 2021 ⁽⁴⁾
Revenue (RM'000)	8,016	5,649	2,191	2,452	4,984	7,807
Month-on- month change (%)	-	(29.53)	(61.21)	11.91	103.26	56.64

Notes:

- (1) We operated under Phase 1 of the NRP with 60% workforce capacity.
- (2) We operated under Phase 1 of the NRP with 60% workforce capacity during July 2021, save for between 3 July 2021 until 16 July 2021 during which our operational facilities were temporarily closed due to EMCO in Selangor.
- (3) We operated under Phase 1 of the NRP with 60% workforce capacity between 1 August until 22 August 2021, and with normal workforce capacity from 23 August until 31 August 2021.
- (4) We operated at normal workforce capacity under Phase 1 of the NRP from 1 September to 9 September 2021, and under Phase 2 of the NRP from 10 September to 30 September 2021.

Notwithstanding interruptions to our business operations during Phase 1 of the NRP lockdown, we have not faced any termination or cancellation of orders due to COVID-19 or MCO, FMCO, NRP or EMCO periods during FYE 2022 up to 29 December 2021.

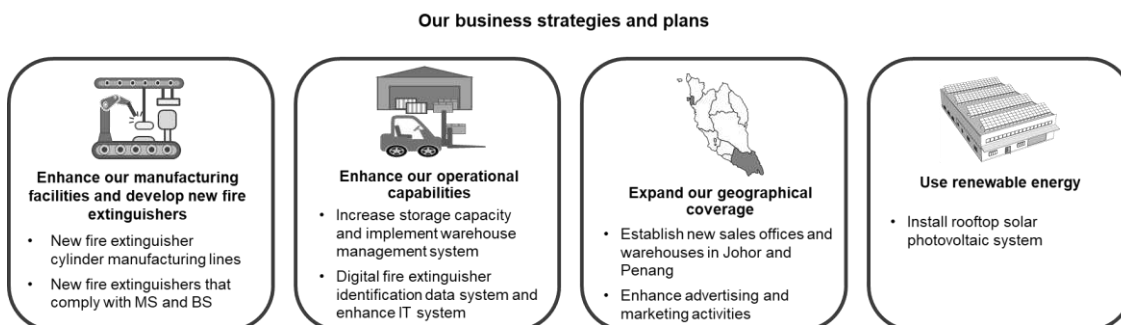
Please also see Sections 11.3.4 and 11.4 for further details of the impact of MCO or variations thereof on our Group's liquidity and ageing analysis of trade receivables of our Group, respectively.

6. INFORMATION ON OUR GROUP (Cont'd)

6.18 OUR BUSINESS STRATEGIES AND PLANS

6.18.1 Overview

Our business strategies and plans are focused on leveraging our core competencies and strengths in assembly, distribution and manufacture of fire protection systems, equipment and accessories and these are summarised in the following:



We intend to implement the above business strategies and plans between 2022 and 2025. We may experience delays compared to the expected timeline disclosed in this Prospectus if COVID-19 containment measures are reintroduced in the future. Please refer to Section 6.17.1 of this Prospectus for further details on the impact of the COVID-19 pandemic on our business and financial performance and Section 8.1.2 on risks of the COVID-19 pandemic on our business operations.

6.18.2 Enhance our manufacturing facilities and develop new fire extinguishers

(i) New hand portable dry chemical fire extinguisher cylinder manufacturing lines

We plan to enhance our manufacturing facilities by installing two (2) new lines to manufacture hand portable dry chemical fire extinguisher cylinders. These cylinders will be used for our four (4) kg, six (6) kg and nine (9) kg hand portable dry chemical fire extinguishers. The new manufacturing lines will utilise the rolling and welding method to manufacture cylinders compared to our current deep drawing method.

The new manufacturing method uses steel sheet which is cut and rolled into the required diameter and the edges are automatically welded to form a tube, which will result in changes in the dimension of the cylinders compared to our existing manufactured cylinders. This is in contrast to the deep drawing method which where a circular blank steel sheet is drawn into a cylinder shape over three stages. Please refer to Section 6.10.5 of this Prospectus for additional information.

The benefits of using the rolling and welding method compared to the deep drawing method include the following:

- normal-grade steel coil can be used with the rolling and welding method, which is cheaper than the type of steel coil required for deep drawing;
- the walls of the fire extinguisher cylinders manufactured by the rolling and welding method are thicker compared to those manufactured by deep drawing, and consequently stronger; and
- the dimension of the cylinder manufactured by the rolling and welding method will have a lower overall surface area for the same capacity compared to cylinders manufactured by deep drawing, resulting in less usage of material.

6. INFORMATION ON OUR GROUP (Cont'd)

The new hand portable dry chemical cylinder manufacturing lines will provide us with additional capacity. Our existing cylinder manufacturing line has been experiencing high utilisation rates at 88.16%, 73.13% and 83.74% for the FYE 2019, FYE 2020 and FYE 2021 respectively. As such the new manufacturing lines will enable us to address opportunities for the domestic and export markets.

As at the LPD, our existing hand portable dry chemical cylinder manufacturing line has an annual output capacity of 210,000 cylinders. Each new manufacturing line has an estimated output capacity of 235,000 cylinders per year. With the installation of the two (2) new manufacturing lines, our estimated output capacity will increase by approximately more than 200%. We expect to have sufficient demand for hand portable dry chemical fire extinguishers for these two (2) new manufacturing lines based on the following:

- We will market these hand portable dry chemical fire extinguishers in Malaysia where we have our existing customer base, which is also supported by our plan to establish new sales offices and warehouses in Johor and Penang, as described in Section 6.18.4(i);
- We will also market these hand portable dry chemical fire extinguishers to customers in other countries as described in Section 6.18.2 (ii). We will appoint new distributors in overseas countries, such as Brunei, Cambodia, Myanmar, Vietnam and Hong Kong as described in Section 6.18.4 (ii) to market our products in their respective markets;
- Sales and marketing in Malaysia and overseas will be supported by our plan to enhance advertising and marketing activities, as described in Section 6.18.4 (ii); and
- The two (2) new manufacturing lines are scheduled to commence manufacturing on a staggered basis with first new manufacturing line by the first half of 2023, and the second new manufacturing line by the first half of 2025, by which time we expect the sales and marketing efforts described above will have sufficient time to create the necessary demand.

We intend to use the new manufacturing lines to manufacture cylinders that comply with MS and BS for our hand portable dry chemical fire extinguishers for domestic and export markets.

(ii) New hand portable dry chemical fire extinguishers that comply with MS and BS

The two (2) kg and five (5) kg hand portable CO₂ fire extinguishers that we currently assemble, and one (1) kg, two (2) kg, four (4) kg, six (6) kg and nine (9) kg hand portable dry chemical fire extinguishers that we currently manufacture are SIRIM certified as complying with the relevant MS standards.

The hand portable dry chemical fire extinguishers that will be manufactured by the new manufacturing lines using the rolling and welding method which results in a new dimension of cylinders will need to be certified to various standards to comply with authorities in various countries including Malaysia. The MS-certified dry chemical fire extinguishers are targeted at the Malaysian market, while the BS-certified fire extinguishers are targeted at export markets that accept BS for dry chemical fire extinguishers. We expect to commercialise the MS-certified hand portable dry chemical fire extinguishers by second half of 2023 after independent testing and certification from SIRIM in the first half of 2023.

The main difference between MS and BS-certified hand portable dry chemical fire extinguishers is that BS-certified hand portable dry chemical fire extinguishers utilise monoammonium phosphate in higher concentration, as they are designed to more quickly extinguish fires (of similar intensity) at a faster speed as compared to MS-

6. INFORMATION ON OUR GROUP (Cont'd)

certified hand portable dry chemical fire extinguishers. Other than this, MS and BS-certified hand portable dry chemical fire extinguishers are comparable in terms of design and working principle.

We aim to export BS-certified hand portable dry chemical fire extinguishers to foreign markets such as Hong Kong and Saudi Arabia. This will enable us to expand our export sales which accounted for less than 2.00% of our total revenue for the Financial Years Under Review. We expect to commercialise the manufacturing of BS-certified hand portable dry chemical fire extinguishers by second half of 2024 after we receive BS certification.

The certification process will be carried out concurrently with the installation and commencement of the production of hand portable dry chemical fire extinguishers on the new manufacturing line. As at the LPD, we are developing prototypes of the MS-certified hand portable dry chemical fire extinguishers and carrying out in-house testing.

The indicative timeline for our new manufacturing lines and certifications are as follows:

Indicative Timeline			Milestones
MS certification	BS certification	New manufacturing line	
Second half 2021			Commence development of new design MS-certified hand portable dry chemical fire extinguisher and carry out prototyping and testing in-house.
		First half 2022	Order the first new manufacturing line (" New Manufacturing Line 1 ").
		Second half 2022	Set up and test New Manufacturing Line 1.
First half 2023			Send prototypes of the new MS-certified hand portable dry chemical fire extinguisher for independent testing and certification to SIRIM.
	First half 2023		Commence development of new BS-certified dry chemical fire extinguisher and carry out prototyping and testing in-house.
Second half 2023			We expect to receive compliance with MS for the new dry chemical fire extinguisher.
	Second half 2023		Send prototypes of the new BS-compliant dry chemical fire extinguisher for independent testing and certification to BS.
		Second half 2023	Commence manufacturing of MS-compliant hand portable dry chemical fire extinguisher on New Manufacturing Line 1.
	Second half 2024		We expect to receive BS certification for the new dry chemical fire extinguisher.
		Second half 2024	Commence manufacturing of BS-compliant hand portable dry chemical fire extinguisher cylinder on New Manufacturing Line 1.
		First half 2025	Order the second new manufacturing line (" New Manufacturing Line 2 ").

6. INFORMATION ON OUR GROUP (Cont'd)

Indicative Timeline			Milestones
MS certification	BS certification	New manufacturing line	
		Second half 2025	Set up and test New Manufacturing Line 2 and begin manufacturing hand portable dry chemical fire extinguisher cylinders on New Manufacturing Line 2.

The estimated cost for the above plans are as follows:

	IPO proceeds Total estimated cost (RM'000)
Purchase and install New Manufacturing Line 1	[•]
Purchase and install New Manufacturing Line 2	[•]
Developing prototypes and obtaining certification to MS	[•]
Developing prototypes and obtaining certification to BS	[•]
TOTAL	[•]

6.18.3 Enhance our operational capabilities

(i) Increase storage capacity and implement a warehouse management system

We plan to install two (2) new mezzanine levels within our Operational Facility in Shah Alam, Selangor, one above the existing manufacturing area and one above the existing warehouse area. These new mezzanine levels will increase the usable floor area of our Operational Facility in Shah Alam, Selangor by approximately 10,228 sq ft or 8.92% from approximately 114,656 sq ft to approximately 124,884 sq ft. This new usable floor area will be entirely allocated for storage use, which will increase our storage area by 67.59% from approximately 15,132 sq ft to approximately 25,360 sq ft. Subsequently, we intend to install a racking system on the existing ground floor and the new mezzanine levels, which is designed to store palletised goods and goods in storage bins in racks. As at the LPD, the anticipated regulatory approvals required for the new mezzanine levels and racking system include an updated CCC, and the relevant approvals required in support of the application for issuance of a new CCC including relevant planning permissions and approvals for revised building plans from MBSA, letters of support from Bomba and necessary approvals required by the local authorities from time to time. Please see Section 6.23 for a summary of the applicable regulations in this regard.

Our plans also include equipping our warehouse with a new warehouse management system ("WMS") to digitalise and automate our inventory management functions. This includes receiving incoming materials, storage space assignments by prioritising fast-moving goods, inventory tracking and automated picking assignments to retrieve goods from storage.

6. INFORMATION ON OUR GROUP (Cont'd)

We also intend to purchase the following vehicles to enhance our warehousing and delivery operations, and to cater for the increase in warehouse capacity above:

- three (3) new forklifts to handle goods at our warehouse; and
- two (2) new lorries for deliveries.

The anticipated benefits include the following:

- the increase in storage space will allow us to store more goods; and
- the new WMS will improve inventory management, and faster and more accurate storage and retrieval of goods.

The indicative timeline for the above plans is as follows:

Indicative Timeline	Milestones
First half 2022	Engage a consultant to design the new mezzanine levels.
First half 2022	Submit plans for the new mezzanine levels to authorities. Purchase WMS.
Second half 2022	Set up and test WMS.
Second half 2022	Obtain approval from authorities for the new mezzanine levels. Full implementation of WMS.
First half 2023	Complete new mezzanine levels and new racking system.
Second half 2023	Obtain CCC from relevant authorities.
First half 2024	Purchase three (3) new forklifts and two (2) new lorries.

The estimated cost for the above plans is approximately RM[●] million which will be funded through IPO proceeds.

	IPO proceeds Total estimated cost (RM'000)
Mezzanine levels	[●]
WMS	[●]
Racking system	[●]
3 new forklifts and 2 new lorries	[●]
TOTAL	[●]

6. INFORMATION ON OUR GROUP (Cont'd)

(ii) Digital fire extinguisher identification data system and enhance IT system

As part of our business strategies and plans, we intend to digitalise the process of generating, recording and marking fire extinguishers' identification data. Fire extinguisher identification data includes the cylinder and fire extinguisher serial numbers, manufacturing and end-of-shelf-life dates, and assigned locations. We currently utilise a paper-based fire extinguisher identification method, which includes the following:

- cylinder serial number is automatically generated and marked on the cylinder during the manufacturing process, and manually entered into our logbook;
- fire extinguisher serial number, manufacturing and end-of-shelf-life dates are written on the fire extinguisher datasheet, and manually entered into our logbook;
- the fire extinguisher's assigned location is recorded and submitted to Bomba for the eFEIS; and
- cylinder and fire extinguisher serial numbers, manufacturing and end-of-shelf-life dates and other information are provided to our customers.

We intend to replace this manual process with two (2) automated systems with the following features and functions:

- camera to read and record the cylinder serial number, and automatically generate and record a unique fire extinguisher serial number that is linked to the cylinder serial number; and
- printer to print a fire extinguisher data label that includes, among others, the fire extinguisher serial number, month and year of manufacture and a unique QR code. The fire extinguisher data label is affixed to the fire extinguisher.

We will use the automated digital fire extinguisher identification data systems for our assembled and manufactured hand portable fire extinguishers.

We will create and maintain an individual database for every fire extinguisher that we manufacture including its unique cylinder and fire extinguisher serial numbers and manufactured date, as well as other information such as its assigned locations, service history, next service due date and end-of-shelf life dates. This data can be accessed by scanning the fire extinguisher's unique QR code. We can also export the database to our customers to enable them to electronically submit the relevant information to Bomba's eFEIS. eFEIS is the system established by Bomba to govern the usage and maintenance of fire extinguishers in Malaysia. Every fire extinguisher installed in commercial premises must be registered with eFEIS and must have an eFEIS barcode certificate affixed to the cylinder. The barcode certificate must be renewed annually, which is conditional upon the fire extinguisher being fit for use and not exceeding its shelf life.

The benefits of the digital fire extinguisher identification data system include eliminating duplicate cylinder and/or fire extinguisher serial numbers and increasing the efficiency and accuracy of record keeping such as less time required to enter, check and maintain records. The system will also enable us to keep track of each fire extinguisher's maintenance schedule and end of shelf life dates, and proactively contact the respective customer or end-user to offer services or replacements. Portable fire extinguishers should be serviced once every year and have a shelf life of 10 years in accordance with MS 1539. Fire extinguishers should be taken out of service and scrapped at the end of

6. INFORMATION ON OUR GROUP (Cont'd)

their shelf life, which consequently means that they would be replaced with new fire extinguishers. In addition, electronic data submission for information for eFEIS will benefit our customers by saving time and reducing errors, compared to manual submission.

We also plan to enhance our IT system by purchasing desktop computers and office software for our technical, administrative and other office staff based at our head office. We also intend to develop a client portal that provides functionality to authorised customers, such as:

- browsing, ordering and paying for products online;
- tracking the status of their orders; and
- accessing eFEIS data for their fire extinguishers.

In addition, we will also purchase additional software licences to allow the new sales offices and warehouses that we intend to set up to access our existing ERP system. Kindly refer to Section 6.18.4 for additional information on establishing new sales offices and warehouses.

The indicative timeline for implementing the digital fire extinguisher identification data system and the enhancement of our IT systems is as follows:

Indicative Timeline	Milestones
Second half 2021	Purchase first automated digital fire extinguisher identification data system.
First half 2022	Set up and use the first automated digital fire extinguisher identification data system. Purchase IT hardware and develop client portal.
Second half 2022	Purchase second automated digital fire extinguisher identification data system.
First half 2023	Purchase additional user licences for the ERP system. Set up and use the second automated digital fire extinguisher identification data system .

The estimated cost for the above is approximately RM[•] million which will be funded using IPO proceeds as follows:

	IPO proceeds Total estimated cost (RM'000)
Purchase two (2) automated digital fire extinguisher identification systems	[•]
Purchase IT hardware and office software, and develop client portal (including purchases of additional software licences for ERP system)	[•]
TOTAL	[•]

6. INFORMATION ON OUR GROUP (Cont'd)**6.18.4 Expand our geographical coverage****(i) Establish new sales offices and warehouses in Johor and Penang**

We intend to expand our geographic coverage by establishing one (1) new sales office and warehouse in Johor and Penang, respectively, which will cover the northern and southern regions of Peninsular Malaysia, respectively. The sales office will provide an operational base for our sales and marketing staff to serve existing customers and engage with prospective new customers in their respective regions. We will utilise the warehouse to maintain inventories of commonly purchased items so that we can fulfil customers' orders promptly, including the following:

- cylinders and discharge nozzles for CO₂ fire suppression systems;
- fire hose reels and fire hoses;
- sprinkler systems;
- breeching inlets and landing valves for dry and wet riser systems;
- CO₂ and dry chemical fire extinguishers;
- fire protection accessories such as fire detection and alarm devices, batteries, cabinets and fire blankets.

Our new sales offices and warehouses will be rented premises. As at the LPD, we have not identified any prospective premises. We have budgeted rental of RM[●] per month for each rented premise. Setting up the new sales offices and warehouses will involve purchasing one (1) lorry and one (1) forklift, purchasing and installing a racking system, office equipment and furniture, and carrying out renovations for each new sales office and warehouse. We will hire new staff, including one (1) general manager, three (3) sales and marketing officers, four (4) warehouse personnel and two (2) delivery personnel for each new sales office and warehouse.

Our plan to establish new sales offices and warehouses in Johor and Penang is based on their revenue contribution during the Financial Years Under Review, summarised as follows:

	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%*	RM'000	%*	RM'000	%*
Johor	5,770	9.09	7,660	10.05	11,652	14.62
Penang	6,919	10.91	8,444	11.08	6,215	7.80

* Percentage of our total revenue for the respective FYE.

Johor and Penang were the third and fourth largest states respectively by revenue contribution for FYE 2021, behind Selangor (first) and Kuala Lumpur (second). We believe that establishing new sales offices and warehouses in Johor and Penang will provide us with the following benefits:

- shorten delivery times to customers in Johor and Penang as goods will be dispatched from the corresponding warehouses, rather than from our Operational facility in Shah Alam, Selangor;
- similarly, the proximity to customers will allow us to offer lower delivery charges for delivery of goods to customers in Johor and Penang to encourage more customers to buy from us; and

6. INFORMATION ON OUR GROUP (Cont'd)

- improve engagement with customers in Johor and Penang to encourage higher sales as we will have sales personnel based in those states. Our sales personnel will actively engage with current and prospective customers by holding product presentations and conducting sale meetings.

The decrease in revenue from Penang for FYE 2021 was mainly due to the effect of MCO and measures to control COVID-19 on our customers there. We believe it remains important for us to establish a new sales office and warehouse there for the benefits described above.

Setting up the new sales offices and warehouses should enable us to grow our business by increasing our sales to our existing customers, as well as by securing new customers in Johor and Penang.

The indicative timeline for establishing the new sales offices and warehouses is as follows:

Indicative Timeline	Milestones
First half 2022	Set up new sales office and warehouse in Johor.
Second half 2022	Commence business operations at the new sales office and warehouse in Johor. Set up new sales office and warehouse in Penang. Commence business operations at the new sales office and warehouse in Penang.

The expenditure for the above is estimated at RM[●] million which would be funded by IPO proceeds as follows:

	IPO proceeds Total estimated cost (RM'000)
New sales office and warehouse in Johor	
Rental of sales office and warehouse for 24 months	[●]
Operating expenses for 24 months ⁽¹⁾	[●]
Staff costs for 24 months	[●]
Lorry, forklift, racking, office equipment, furniture and renovations	[●]
New sales office and warehouse in Penang	
Rental of sales office and warehouse for 24 months	[●]
Operating expenses for 24 months ⁽¹⁾	[●]
Staff costs for 24 months	[●]
Lorry, forklift, racking, office equipment, furniture and renovations	[●]
TOTAL	[●]

6. INFORMATION ON OUR GROUP (Cont'd)

Note:

- (1) Operating expenses include utilities such as water and electricity, security, internet and general upkeep and maintenance.

(ii) Enhance advertising and marketing activities

We intend to enhance our advertising and marketing activities in Malaysia and some targeted foreign countries including Hong Kong and the Middle East. We intend to target Hong Kong due to our dealing with Hong Kong customers in FYE 2021 with a revenue of RM0.53 million (0.83%), and plan to export our new BS-certified hand portable dry chemical fire extinguishers to Hong Kong. We intend to target the Middle East as one of our suppliers, Orient Corporation has business and customers in that region.

We plan to place advertisements in the following media:

- Outdoor advertising such as billboards in Malaysia;
- Engage in online advertising through social media and search engine optimisation targeting Malaysia; and
- Trade publications targeted at relevant industries in Malaysia, such as the property development, construction, engineering services and fire protection industries.

We intend to engage in the following marketing activities:

- Participate in exhibitions in Malaysia;
- Participate in exhibitions in foreign countries, namely the INTERSCHUTZ at Hannover Exhibition Grounds in Germany, and China Fire Expo in Beijing, China;
- Organise seminars and events in Malaysia; and
- Produce a corporate video.

The anticipated benefits of the advertising and marketing activities include the following:

- Build our brand equity to cultivate customer loyalty, brand recognition and recall to facilitate repeat orders from customers and referrals;
- Increase customer awareness, particularly in new markets;
- Engage with prospective customers and build our customer base in foreign markets; and
- Expand our addressable markets.

We intend to implement the above advertising and marketing activities during the 2022 and 2023 calendar years. Our cost for the advertising and marketing activities is estimated at RM[●] million (which includes estimated costs of appointing new distributors in foreign countries described below) which would be funded by IPO proceeds.

Historically and up to the LPD, our advertising and marketing activities included participating in local exhibitions and tradeshow, placing advertisements in trade publications and participating as invited speakers at courses and seminars in Malaysia. Please refer to Section 6.8 of this Prospectus for additional information on our marketing strategies and activities.

In addition, as part of our enhancing advertising and marketing activities, we plan to appoint new distributors in foreign countries to expand our geographic reach and grow our export sales. As at the LPD we do not have appointed distributors in other countries. We intend to appoint new distributors in Brunei, Cambodia, Hong Kong, Myanmar and Vietnam. We have selected these countries due to our dealings with the customers in these countries during the Financial Years Under Review. In addition, some of our fire protection systems and equipment already have the relevant certifications and approvals that meet the requirements of these countries.

6. INFORMATION ON OUR GROUP (Cont'd)

Appointing new distributors will allow us to benefit from their knowledge of local regulations and business conditions, existing customer base and distribution networks to access prospective customers without having to establish an office there. The indicative timeline for appointing the new distributors in the targeted foreign countries is as follows:

Indicative Timeline	Milestones
First half 2023	Appoint new distributors in Brunei, Cambodia, Myanmar and Vietnam.
Second half 2023	Appoint new distributors in Hong Kong.

6.18.5 Use renewable energy**(i) Install rooftop solar photovoltaic system**

We intend to install a solar photovoltaic (“PV”) system with an installed capacity of approximately 269 kilowatt-peak on the roof of our Operational Facility in Shah Alam, Selangor under the self-consumption (“Selco”) programme, where the power generated by the system is only for our use and any excess will not be exported to the grid. Consuming power generated by the solar PV system will reduce the amount of power that we have to purchase from external parties, thereby reducing our utility costs. The average utility cost savings of the planned solar PV system is projected at approximately RM0.19 million per year. The life span of the solar PV system is approximately 25 years, and we expect to benefit from reduced utility costs during this period. Furthermore, the solar PV system will help to reduce our carbon footprint. We will engage a third party to construct the solar PV system.

Pursuant to the Electricity Supply Act 1990, a License for Private Installation for the operation of electricity generation for own consumption using renewable energy resources such as solar photovoltaic system would be required to be obtained from the Energy Commission of Malaysia for the installation of the solar PV system. The indicative timeline for the construction of solar PV system at our operational facility and obtaining the relevant approval and license are as follows:

Indicative Timeline	Milestones
First half 2022	Engage third party service provider to design the solar PV system.
Second half 2022	Commence installation of the solar PV system. Register solar PV system with TNB, and submit application for and obtain Licence for Private Installation from the Energy Commission of Malaysia. Solar PV system becomes operational.

As at the LPD, we have identified a vendor and obtained a quotation from them. The full cost of the solar PV system is estimated at RM[●] million which will be funded from IPO proceeds.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.19 MAJOR APPROVALS, LICENCES, PERMITS OBTAINED

Details of major approvals, licences and permits obtained for our Group's business as at the LPD are as follows:

6.19.1 Major approvals, licences, certificates and permits for our Group's activities

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
1.	UFI	Manufacturing licence pursuant to the ICA 1975 ⁽³⁾ Premises: No.9, Jalan Anggerik Mokara 31/55, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor Darul Ehsan Products: Dry Chemical Fire Extinguisher, Carbon Dioxide (CO2) Fire Extinguisher, Foam Fire Extinguisher, Fire Hose Reel, Firefighting System and Related Components ⁽²⁾	MITI	Licence No. A022097 Serial No. A037371	<u>Issuance Date:</u> 26 August 2019 <u>Validity Period:</u> Valid until revoked	(1) MITI and the Malaysian Investment Development Authority ("MIDA") shall be notified of any sale of shares in UFI; (2) UFI shall train Malaysians to ensure transfer of technological expertise to all levels of the workforce; (3) UFI shall comply with the minimum Capital Investment Per Employee (CIPE) of RM140,000; (4) The full-time workforce of UFI shall be at least 80% Malaysian by 31 December 2022. Employment of foreign workers will be subject to the applicable policy at the time; ⁽¹⁾ (5) Licensee shall submit information on their investment performance and project implementation under the ICA 1975 and the Malaysian Industrial Development Authority Act 1965 as and when required by MIDA. Failure to do so will	Complied, save for condition (4) which has yet to be complied. Please see Note (1) below.

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
						result in:	
						(a) UFI being guilty for an offence and shall be liable to a fine not exceeding RM1,000 or imprisonment not exceeding three (3) months or both and in the case of continuing offence, a fine of RM500 for each day during which the offence continues; or	
						(b) UFI being guilty of an offence when UFI provides any statements or information that is false or misleading in any detail and will be liable to a fine not exceeding RM2,000 or imprisonment not exceeding six (6) months or both.	
						(6) UFI shall implement their project as approved in accordance to the legislation and other applicable regulations in Malaysia.	
2.	UFI	Certificate of Fitness (Hoisting Machine) pursuant to Factories and Machinery Act 1967 Location: No.9, Jalan Anggerik Mokara 31/55, Kota Kemuning,	DOSH	SL PMA 32766	9 September 2021 to 7 December 2022	The machinery must be operated by a competent person registered with DOSH. ⁽⁴⁾	Please refer to Note 4

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
		Seksyen 31, 40460 Shah Alam, Selangor Darul Ehsan					
3.	UFI	Certificate of Fitness (Hoisting Machine) pursuant to Factories and Machinery Act 1967 Location: No.9, Jalan Anggerik Mokara 31/55, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor Darul Ehsan	DOSH	SL PMA 32816	9 September 2021 to 7 December 2022	The machinery must be operated by a competent person registered with DOSH. ⁽⁴⁾	Please refer to Note 4
4.	UFI	Certificate of Fitness (Hoisting Machine) pursuant to Factories and Machinery Act 1967 Location: No.9, Jalan Anggerik Mokara 31/55, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor Darul Ehsan	DOSH	SL PMA 32817	9 September 2021 to 7 December 2022	The machinery must be operated by a competent person registered with DOSH. ⁽⁴⁾	Please refer to Note 4
5.	UFI	Certificate of Fitness (Hoisting Machine) pursuant to Factories and Machinery Act 1967 Location: No.9, Jalan Anggerik Mokara 31/55, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor Darul Ehsan	DOSH	SL PMA 32818	9 September 2021 to 7 December 2022	The machinery must be operated by a competent person registered with DOSH. ⁽⁴⁾	Please refer to Note 4

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
6.	UFI	Certificate of Fitness (Hoisting Machine) pursuant to Factories and Machinery Act 1967 Location: No.9, Jalan Anggerik Mokara 31/55, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor Darul Ehsan	DOSH	SL PMA 32819	9 September 2021 to 7 December 2022	The machinery must be operated by a competent person registered with DOSH. ⁽⁴⁾	Please refer to Note 4
7.	UFI	Certificate of Fitness (Unfired Pressure Vessel) pursuant to Factories and Machinery Act 1967 Location: No.9, Jalan Anggerik Mokara 31/55, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor Darul Ehsan	DOSH	PMT 148568	9 September 2021 to 7 December 2022	Nil.	Complied
8.	UFI	Certificate of Fitness (Unfired Pressure Vessel) pursuant to Factories and Machinery Act 1967 Location: No.9, Jalan Anggerik Mokara 31/55, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor Darul Ehsan	DOSH	SL PMT 29531	9 September 2021 to 7 December 2022	Nil.	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
9.	UFI	Registered Importer and Exporter of Hydrofluorocarbon (HFC)	Department of Environment ("DOE")	AS(U) 91/110/610/5 00 Jld 6	<u>Issuance Date:</u> 28 February 2020 <u>Validity Period:</u> Valid until revoked	(1) Importer or exporter shall obtain the import/export permit for HFC from the DOE prior to actually importing/exporting HFC. (2) Importer and exporter shall use the e-permit system to obtain the permit stipulated in item (1) above. (3) Any import/export of HFC must use the prescribed HS code by the DOE. (4) Importer and exporter shall report the amount of HFC used to the DOE every six (6) months (in January and July) in the prescribed format for stock declaration.	Complied
10.	UFI	Industrial licence for the sale, service, manufacturing, processing, wholesale and storage of products in relation to the fire extinguishers industry at the premises situated at No.9, Jalan Anggerik Mokara 31/55, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor Darul Ehsan	Majlis Bandaraya Shah Alam	Account No. L03111052014 0001 – (LSMT)	<u>Issuance Date:</u> 15 October 2021 <u>Expiry Date:</u> 31 December 2022	Nil.	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) Requirement for the full-time workforce to consist of 80% Malaysians pursuant to UFI's Manufacturing Licence

As at the LPD, our subsidiary UFI's total workforce consists of 131 employees, of which 90 are Malaysians and 41 are foreign workers from Bangladesh, Myanmar and Nepal. UFI's foreign workers are involved mainly in our manufacturing operations which involve manual labour. Pursuant to the conditions of UFI's Manufacturing Licence (prior to the extension of time granted by MIDA), UFI was required to employ at least 80% Malaysians for its full-time workforce by 2020.

As at the LPD, UFI has achieved 69% Malaysian workforce. Given the on-going COVID-19 pandemic, we were unable to achieve this workforce requirement. Please see Section 6.17 of this Prospectus for further details of the effects of COVID-19 on our business. UFI had on 15 September 2021 submitted an application to MIDA for an extension of time up to 31 December 2022 to comply with this requirement. As at 22 February 2022, UFI has obtained MIDA's approval for the extension of time up to 31 December 2022 to comply this requirement.

Based on our Group's experience, we have found it difficult to recruit and retain local employees to fill in positions which involve manual labour. However, UFI will continue its efforts such as offering competitive remuneration packages, providing staff accommodation for outstation local employees, continuing with recruitment efforts (such as putting out job advertisements, appointing recruiters, referrals etc), providing training to unexperienced local employees as well as improving on machine automation going forward to reduce reliance on foreign workers. We expect to be able to increase our Malaysian workforce to meet this local workforce requirement in tandem with our business strategies and plans, in particular with the expected staff increase from our plans to establish new sales offices and warehouses in Johor Bahru, Johor and Penang. Please see Section 6.18 for further details of our business strategies and plans. We expect to be able to comply with this requirement by end of 2022, and the estimate costs to increase our Malaysian workforce in tandem with our plans above would be approximately RM400,000 mainly consisting of staff costs.

Pursuant to Section 6 of the ICA 1975, if UFI is unable to meet the local workforce requirement within the prescribed timeframe, UFI's Manufacturing Licence may be revoked. Upon revocation, any person who engages in manufacturing activity without a licence is guilty of an offence under the ICA 1975 and is liable on conviction to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding six (6) months and to a further fine not exceeding RM1,000 for every day during which such default continues. The revocation of licence would affect UFI's business operations as UFI will have to cease its assembly and manufacturing activities. As such, the revocation of licence may impact the revenue contributors in the event the assembly and manufacturing activities are ceased.

- (2) "Manufacturing activity" is defined under the ICA 1975 as the "making, altering, blending, ornamenting, finishing or otherwise treating or adapting any articles or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade". Please also see Section 6.23 for a summary of the relevant provisions of the ICA 1975 governing the business of our Group. As set out in Section 6.4.2, our Group carries out assembly of fire protection systems and equipment.

UFI's Manufacturing Licence has yet to be expanded to include all the product categories currently manufactured by our Group. UFI had on 28 December 2021 submitted an application to MIDA for an expansion of products covered under the Manufacturing Licence to include fire hydrant systems, fire sprinkler systems, fire detection and alarm systems, Unique227 fire suppression system, Carbon Dioxide fire extinguishing system, fire suppression for commercial kitchens, and Unique5112 fire suppression systems and active fire protection systems, equipment and accessories. On 15 March 2022, UFI had obtained

6. INFORMATION ON OUR GROUP (Cont'd)

the approval from the Ministry of International Trade and Industry for the expansion of the product categories to include firefighting system and related components.

Pursuant to the ICA 1975, the prior approval of the licensing officer is required for any person to manufacture products which vary from those specified in a manufacturing licence. Based on the ICA1975, the potential maximum penalty would be that an authorized officer may obtain a warrant from a magistrate to enter any such building or place and search for and seize any product, manufacturing equipment or other thing in respect of which any such offence is suspected to have been committed. Based on UFI's consultation process and liaising with MIDA on the application to expand the product categories, UFI had been advised by MIDA that pending the processing of the application, UFI may continue to manufacture and assemble its fire protection systems, equipment and accessories which UFI intended to expand and reflect in the UFI Manufacturing Licence. UFI has not been subject to any regulatory notices, penalties or enforcement actions.

- (3) UFI's Manufacturing Licence had been obtained as part of UFI's rectification steps to comply with the ICA1975. Prior to the issuance of UFI's Manufacturing Licence on 26 August 2019, for the period of 2001 (when UFI had met the threshold to obtain a manufacturing licence pursuant to the ICA1975) to 26 August 2019, UFI did not previously hold a manufacturing licence pursuant to the ICA1975.

Please see Note (1) above and Section 6.23.1 for the potential maximum penalties in regard to any person who is found guilty of the offence of engaging in manufacturing activity without a licence under the ICA1975. Further to the rectification steps taken to obtain the UFI Manufacturing Licence in consultation and as guided by MIDA, the UFI Manufacturing Licence was issued on 26 August 2019, there were no penalties imposed in relation to the above rectification to obtain the UFI Manufacturing License.

- (4) UFI has obtained DOSH's confirmation and clarification via an email dated 17 September 2021 ("**DOSH Confirmation Email**") that the specific machinery in question does not need to be operated by a competent person registered with DOSH so long as the personnel is trained to operate the relevant machinery. The training required is on the operation procedures and safety measures of overhead travelling cranes (hoist) and the training is on one-off basis. Further, it was stated in the DOSH Confirmation Email that the renewed Certificates of Fitness will only be issued if the DOSH inspection officer is satisfied that there are no non-compliances. As at the LPD, UFI's personnel handling these machineries have gone through the relevant training to operate such machineries.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.19.2 Product approval certificates from Bomba

Pursuant to the Fire Services Act 1988, we are required to obtain approval certificates from Bomba for certain products as prescribed by Bomba from time to time. Generally, these approval certificates issued by Bomba are valid for one (1) year and are renewable upon expiry. Details of the approval certificates from Bomba obtained by our Group as at the LPD are as follows:

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
1.	UFI	Approval Certificate Product: Alat Pengesan Asap dan haba (Smoke and Heat Detector) Brand: System Sensor Supplier: System Sensor Far East, Hong Kong	Bomba	JBPM/IP/RN P:700-7/2/12- 7/(36)	14 January 2021 to 13 January 2022 ⁽³⁾	<p>(1) This certificate cannot be transferred without consent from Bomba.</p> <p>(2) Where there has been an amendment or update to the conditions or standards, the manufacturer or distributor will be granted time as specified by Bomba to make the necessary amendments to the Product in accordance to the new applicable conditions or standards.</p> <p>(3) All Products must have the name of the manufacturer, serial number, date of manufacture and the "SIRIM" sign or any other scheme that has been recognised by Bomba.</p> <p>(4) Bomba has the right to conduct testing on any product manufactured or installed. All costs are to be borne by the manufacturer.</p>	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
						<p>(5) If there are any incidents or reports that indicate a performance failure of the product or that the product does not comply with the Uniform Building Bylaws 1984 or any directions by Bomba, then it has to be reported to Bomba immediately and Bomba has the right to revoke certification with or without notice.</p> <p>(6) Bomba may also conduct random inspections and checks to ensure compliance in quality and specifications of the product.</p> <p>(7) The certification whether in whole or in part, cannot be published or used for any advertisement purposes in any form without written consent from Bomba.</p> <p>(8) Renewal of certification must be submitted one (1) month before its expiry.</p>	

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
2.	UFI	Approval Certificate Product: Sprinkler Head "CD" Bulb Type Brand: "CD" Sprinkler head Supplier: Chang Der Fire Corporation, Taiwan	Bomba	JBPM/IP/RN P:700-7/2/18- 16/(26)	30 October 2021 to 29 October 2022	Please see item 1 above.	Complied
3.	UFI	Approval Certificate Product: Panel Penggera Kebakaran / Fire Alarm Panel Brand: Alarm Bell "Kidde-Aegis" Supplier: Kidde Fenwal Inc, USA	Bomba	JBPM/IP/RN P:700-7/2/23- 221/(20)	1 December 2021 to 1 December 2023	Please see item 1 above.	Complied
4.	UFI	Approval Certificate Product: Salur Bantu Mula / Fire Hose Reel (Model: Drum Hose Reel Swing 25mm Outlet SS22) Brand: Unique Supplier: UFI	Bomba	JBPM/IP/RN P:700-7/2/17- 21/(19)	17 February 2022 to 17 February 2024	Please see item 1 above.	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
5.	UFI	Approval Certificate Product: Alat Pengesan Asap / Smoke Detector (Model: ESL 711U, Based 701U) Brand: ESL Supplier: Edwards	Bomba	JBPM/IP/RN P:700-7/2/12- 188/(19)	18 February 2022 to 18 February 2024	Please see item 1 above.	Complied
6.	UFI	Approval Certificate Product: Loceng Penggera / Alarm Bell (Brand: Unique, Model: UNI-132, Voltage DC 24V, Input current: 22mA) Brand: Unique Supplier: Demco Industries Sdn Bhd	Bomba	JBPM/IP/RN P:700-7/2/15- 53/(11)	23 February 2022 to 23 February 2024	Please see item 1 above.	Complied
7.	UFI	Approval Certificate Product: Fire Suppression System (Local Application, Wet Chemical (Kitchen Hood) "Range Guard") Brand: Range Guard Supplier: Badger Fire Protection Inc, USA	Bomba	JBPM/IP/RN P:700-7/2/22- 22/(30)	26 January 2022 to 25 January 2024	Please see item 1 above.	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
8.	UFI	Approval Certificate Product: Sprinkler Head (Model: Bulb and Fusible Type) Brand: Viking Supplier: The Viking Corporation (Far East) Pte Ltd, Singapore	Bomba	JBPM/IP/RN P:700-7/2/18- 33/(32)	26 January 2022 to 25 January 2024	Please see item 1 above.	Complied
9.	UFI	Approval Certificate Product: Alat Pengesan Asap / Smoke Detector (Model: Unique/QA 22) Brand: Unique Supplier: Horing Lih Industrial Co. Ltd, Taiwan	Bomba	JBPM/IP/RN P:700-7/2/12- 90/(15)	15 March 2022 to 15 March 2024	Please see item 1 above.	Complied
10.	UFI	Approval Certificate Product: Alat Pengesan Haba / Heat Detector (Model: AHR871 & AH 0333) Brand: Unique Supplier: Horing Lih Industrial Co. Ltd, Taiwan	Bomba	JBPM/IP/RN P:700-7/2/13- 13/(30)	16 April 2022 to 16 April 2024	Please see item 1 above.	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
11.	UFI	Approval Certificate Product: Alat Pengesan Asap / Smoke Detector (Model: AHS 871, AH 0711, AH 8011, AH 0621) Brand: "Photoelectric" Unique AHS 871 & AH 0711 and Horing AH 8011 & AH 0621 Supplier: Horing Lih Industrial Co. Ltd, Taiwan	Bomba	JBPM/IP/RN P:700-7/2/12- 9/(29)	5 July 2021 to 5 July 2022	Please see item 1 above.	Complied
12.	UFI	Approval Certificate Product: Penggera Kebakaran Manual / Manual Fire Alarm (Model: UNI-118) Brand: Unique Supplier: Demco Industries Sdn Bhd	Bomba	JBPM/IP/RN P:700-7/2/14- 12/(24)	15 July 2021 to 15 July 2022	Please see item 1 above.	Complied
13.	UFI	Approval Certificate Product: Loceng Penggera Kebakaran / Fire Alarm Bell (Model: Uni-102) Brand: Unique Supplier: Demco Industries Sdn Bhd	Bomba	JBPM/IP/RN P:700-7/2/14- 13/(33)	14 July 2021 to 14 July 2022	Please see item 1 above.	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
14.	UFI	Approval Certificate Product: Fire Suppression System "Unique 227" (HFC227ea) Brand: Unique 227 Supplier: UFI	Bomba	JBPM/IP/RN P:700-7/2/22- 242/(15)	17 July 2021 to 16 July 2022	Please see item 1 above.	Complied
15.	UFI	Approval Certificate Product: Alat Pengesan Haba / Heat Detector (Model: THD-7052 & PSD-7053) Brand: Kidde Supplier: Kidde Fenwal Inc, USA	Bomba	JBPM.IP.RNP: 700-7/2/13- 52(14)	23 August 2021 to 23 August 2022	Please see item 1 above.	Complied
16.	UFI	Approval Certificate Product: Loceng Penggera / Alarm Bell (Model: Kidde Series 439D) Brand: Kidde Supplier: Kidde Fenwal Inc, USA	Bomba	JBPM/IP/RNP: 700-7/2/15- 24(16)	23 August 2021 to 23 August 2022	Please see item 1 above.	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
17.	UFI	Approval Certificate Product: Alat Pemadam Api (Fire Extinguisher) – CO2 2kg, 5kg Brand: Unique Supplier: UFI	Bomba	JBPM/IP/RN P: 700- 7/2/24-67(31)	28 July 2021 to 27 July 2022	Please see item 1 above.	Complied
18.	UFI	Approval Certificate Product: Smoke Curtain Brand: Unique Supplier: UFI	Bomba	JBPM/IP/RN P: 700- 7/2/20-7(35)	1 June 2021 to 31 May 2023	Please see item 1 above.	Complied
19.	UFI	Approval Certificate Product: Alat Pemadam Api / Dry Powder Fire Extinguisher - Stored Pressure Type 1kg, 2kg, 4kg, 6kg, 9kg Brand: Unique Supplier: UFI	Bomba	JBPM/IP/RN P: 700- 7/2/24-93(23)	10 October 2021 to 9 October 2023	Please see item 1 above.	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
20.	UFI	Approval Certificate Product: Fire Suppression System (Local Application – Restaurant Fire Extinguishing System) Brand: Ansul - Piranha Hybrid Wet Chemical Supplier: Ansul Incorporated, Marinette, USA	Bomba	JBPM/IP/RN P: 700- 7/2/22-341(2)	16 January 2020 to 15 January 2021 ⁽¹⁾	Please see item 1 above.	Complied, save for condition (8). Please see Note (1) below.
21.	UFI	Approval Certificate Product: Fire Suppression System (Local Application – Restaurant Fire Extinguishing System) Brand: Ansul – R-102 Wet Chemical System Supplier: Ansul Incorporated, Marinette, USA	Bomba	JBPM/IP/RN P: 700- 7/2/22-343(2)	16 January 2020 to 15 January 2021 ⁽¹⁾	Please see item 1 above.	Complied, save for condition (8). Please see Note (1) below.
22.	UFI	Approval Certificate Product: Fire Suppression System – FM200 Brand: Kidde Supplier: Kidde Fenwal Inc, USA	Bomba	JBPM/IP/RNP: 700-7/2/22- 217(12)	24 August 2020 to 23 August 2021 ⁽²⁾	Please see item 1 above.	Complied, save for condition (8). Please see Note (2) below.

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Validity Period	Major Conditions Imposed	Status of compliance
23.	UFI	Approval Certificate Product: Panel Penggera Kebakaran / Fire Alarm Panel (FSP-02) Brand: Unique Supplier: Fipro Microelectronics	Bomba	JBPM/IP/RNP: 700-7/2/23-338(4)	2 June 2021 – 2 June 2022	Please see item 1 above.	Complied
24.	UFI	Approval Certificate Product: Fire Suppression System – Unique 5112 (FK-5-1-12) Brand: Unique Supplier: Orient Corporation Pte Ltd, Singapore	Bomba	JBPM/IP/RNP: 700-7/2/22-355(7)	12 January 2022 – 11 January 2024	Please see item 1 above.	Complied

Note:

- (1) Based on our Group's experience, the typical timeframe for the renewal applications to be processed after submission to Bomba is approximately one (1) to two (2) months. An application for the renewal of this certificate has been submitted by UFI to Bomba on 12 January 2021 and the renewal application is in processing. As part of the process for the renewal application, an inspection by Bomba via a live test demonstration at the Operational Facility in Shah Alam, Selangor for the fire suppression system is required and the inspection was unable to proceed due to the MCO. As at the LPD, UFI is pending a scheduled inspection date.

The formal application for renewal was submitted less than one month before the expiry of the certificate due to administrative handover arising from change in personnel in charge of the renewal applications. For the period where the renewal applications are still in processing by Bomba, the Group has not experienced any material adverse impact on their business operations nor been issued with any penalties by Bomba arising from these pending applications.

6. INFORMATION ON OUR GROUP (Cont'd)

- (2) Based on our Group's experience, the typical timeframe for the renewal applications to be processed after submission to Bomba is approximately one (1) to two (2) months. An application for the renewal of this certificate has been submitted by UFI to Bomba on 30 July 2021 and the renewal application is in processing. As part of the process for the renewal application, an inspection by Bomba via a live test demonstration at the Operational Facility in Shah Alam, Selangor for the fire suppression system is required and the inspection was unable to proceed due to the MCO. As at the LPD, UFI is pending a scheduled inspection date.


The formal application for renewal was submitted less than one month before the expiry of the certificate as UFI was in the process of seeking further clarification from Bomba on the required documents and information required for the particular renewal application. For the period where the renewal applications are still in processing by Bomba, the Group has not experienced any material adverse impact on their business operations nor been issued with any penalties by Bomba arising from these pending applications.

- (3) An application for the renewal of this certificate has been submitted by UFI to Bomba on 24 November 2021 and the renewal application is in processing. For the period where the renewal applications are still in processing by Bomba, the Group has not experienced any material adverse impact on their business operations nor been issued with any penalties by Bomba arising from these pending applications.




6. INFORMATION ON OUR GROUP (Cont'd)

6.20 INTELLECTUAL PROPERTY RIGHTS, PATENTS, TRADEMARKS AND REGISTRATIONS


Save as disclosed below, our Group does not have any patents, trademarks, registrations and other intellectual property rights:

No.	Company	Trade Mark	Class / Description	Authority	Application No.	Validity Period	Status
1.	UFI		Class 9 - Fire extinguishing system included in class 9.	Intellectual Property Corporation of Malaysia ("MyIPO")	2016002388	9 March 2016 to 9 March 2026	Registered
			Class 9 - Fire extinguishers; fire extinguishers for domestic use; fire extinguishers for use in land vehicles; fire extinguishing apparatus fire extinguishing apparatus incorporating hoses; fire extinguishing installations; fire extinguishing instruments; fire extinguishing vehicles; automatic fire extinguishing apparatus; emergency fire exit devices of metal; sprayers (automatic installations) for fire extinguishing; sprayers (installations) for fire extinguishing; sprays (apparatus) being fire control equipment; sprinkler apparatus (automatic) for fire extinguishing sprinkler installations for fire extinguishing; sprinkler systems for fire extinguishing; water jets for fire extinguishing purposes; and all included in Class 9.		TM2019006 219	22 February 2019 – 22 February 2029	Registered
			Class 1 – Chemical preparations for use in the control of fires; chemical preparations for use in the prevention of fires; chemicals for use in fire extinguishing; fire extinguishing chemicals; fire extinguishing compositions; fire extinguishing foam compositions; fire protection compositions; fire resistant chemicals; fire retardant additives for plastics; fire retardant additives for resins; fire retardant compositions; fire retardant		TM2019028 930	7 August 2019 – 7 August 2029	Registered



6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Trade Mark	Class / Description	Authority	Application No.	Validity Period	Status
			preparations; preparations for use as fire retardants (other than paints); and all included in class 1.				
			Class 45 - Airport fire services; fire fighting services; fire safety consultancy services; fire-fighting; monitoring of fire alarms; rental of burglar, security or fire alarms; rental of fire alarms; rental of fire extinguishers; all included in class 45.		TM2019028 932	Not applicable	Pending registration (1)
2.	UFI		Class 17 – Fire hose included in class 17.	MyIPO	03009749	04 Aug 2003 to 4 August 2023	Registered
3.	UFI		Class 17 - Fire hose included in class 17.	MyIPO	03009750	4 August 2003 to 4 August 2023	Registered
4.	UFI		Class 35 – Retailing services connected with fire protection equipment included in class 35.	MyIPO	06014043	9 August 2006 to 9 August 2026	Registered
			Class 1 - Chemical preparations for use in the control of fires; chemical preparations for use in the prevention of fires; chemicals for use in fire extinguishing; fire extinguishing chemicals; fire extinguishing compositions; fire extinguishing foam compositions; fire protection compositions; fire resistant chemicals; fire retardant additives for plastics; fire retardant additives for resins; fire retardant compositions; fire retardant preparations; preparations for use as fire retardants (other than paints); and all included in class 1.		TM2019028 933	Not applicable	Pending registration (1)

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Trade Mark	Class / Description	Authority	Application No.	Validity Period	Status
			Class 9 - Fire extinguishers; fire extinguishers for domestic use; fire extinguishers for use in land vehicles; fire extinguishing apparatus; fire extinguishing apparatus incorporating hoses; fire extinguishing installations; fire extinguishing instruments; fire extinguishing vehicles; automatic fire extinguishing apparatus; emergency fire exit devices of metal; sprayers (automatic installations) for fire extinguishing; sprayers (installations) for fire extinguishing; sprays (apparatus) being fire control equipment; sprinkler apparatus (automatic) for fire extinguishing; sprinkler installations for fire extinguishing; sprinkler systems for fire extinguishing; water jets for fire extinguishing purposes; all included in class 9.		TM2019028 935	Not applicable	Pending registration (1)
			Class 45 – Airport fire services; fire fighting services; fire safety consultancy services; fire-fighting monitoring of fire alarms; rental of burglar, security or fire alarms; rental of fire alarms; rental of fire extinguishers; and all included in class 45.		TM2019028 939	Not applicable	Pending registration (1)
5.	UDI		Class 9 – Firefighting apparatus; fire extinguishers; all included in class 9.	MyIPO	2018009031	10 July 2018 to 10 July 2028	Registered

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Trade Mark	Class / Description	Authority	Application No.	Validity Period	Status
6.	UDI		Class 9 – Firefighting apparatus; fire extinguishers; all included in class 9.	MyIPO	2018009030	10 July 2018 to 10 July 2028	Registered
7.	UFI		<p>Class 1 - Chemical preparations for use in the control of fires; chemical preparations for use in the prevention of fires; chemicals for use in fire extinguishing; fire extinguishing chemicals; fire extinguishing compositions; fire extinguishing foam compositions; fire protection compositions; fire resistant chemicals; fire retardant additives for plastics; fire retardant additives for resins; fire retardant compositions; fire retardant preparations; preparations for use as fire retardants (other than paints); all included in class 1.</p> <p>Class 9 - Fire extinguishers; fire extinguishers for domestic use; fire extinguishers for use in land vehicles; fire extinguishing apparatus fire extinguishing apparatus incorporating hoses; fire extinguishing installations; fire extinguishing instruments; fire extinguishing vehicles; automatic fire extinguishing apparatus; emergency fire exit devices of metal; sprayers (automatic installations) for fire extinguishing; sprayers (installations) for fire extinguishing; sprays (apparatus) being fire control equipment; sprinkler apparatus (automatic) for fire extinguishing; sprinkler installations for fire extinguishing; sprinkler systems for fire extinguishing; water jets for fire extinguishing</p>	MyIPO	<p>TM2019028 943</p> <p>TM2019028 944</p>	<p>Not applicable</p> <p>Not applicable</p>	<p>Pending registration⁽¹⁾</p> <p>Pending registration⁽¹⁾</p>

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Trade Mark	Class / Description	Authority	Application No.	Validity Period	Status
			purposes; all included in class 9.				
			Class 45 – Airport fire services; fire fighting services; fire safety consultancy services; fire-fighting; monitoring of fire alarms; rental of burglar, security or fire alarms; rental of fire alarms; rental of fire extinguishers; all included in class 45		TM2019028 945	Not applicable	Pending registration ⁽¹⁾

Note:

- (1) The application for registration for these trademarks was submitted on 7 August 2019 but was objected. The Group subsequently submitted an appeal against the objection on 13 August 2020 but no decision was made in regards to the appeal by MyIPO. The Group was recently notified on 24 January 2022 by their appointed trademark agent that MyIPO had issued a notice of MyIPO's acceptance for the registration of the trademarks, conditional upon that the trademarks will have to be advertised in the gazette for 2 months. If MyIPO does not receive any oppositions during the 2-month advertisement period, MyIPO will process the registration for the trademarks. Subject to any oppositions, we expect the trademarks to be registered by middle of May 2022. As at the LPD, our Group's business or profitability is not dependent on these trademark applications which are pending registration and which may be subject to further opposition. There are already existing registrations for items (1) and (4) as at the LPD and the applications pending registrations are applications to further expand additional classes of registration. In relation to item (5), the Group had only started marketing the Unique5112 system in the first half of 2021 and has not recorded any sales for the Unique5112 fire suppression system as at the LPD.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.21 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS / AGREEMENTS / INTELLECTUAL PROPERTY RIGHTS / LICENCES OR PERMITS / BUSINESS PROCESSES

Save for the major licences in Section 6.19, registered trademarks in Section 6.20, our Group's business or profitability is not materially dependent on any contracts, intellectual property rights, licences and permits, and production or business processes as at the LPD. As at the LPD, the registered trademarks in Section 6.20 are in relation to our Group's logos and several of our own brands namely Unique, Unique 227, Commander, Yama. Please see Section 6.4.2.3 for a summary of our brands.

6.22 PROPERTIES, PLANT AND EQUIPMENT

6.22.1 Properties owned

A summary of the material land and buildings owned by our Group for our business operations as at the LPD is as follows:

No.	Registered / Beneficial Owner	Title Details / Property Address	Description and Existing Use	Category of land use / Express Conditions / Tenure of property	Restrictions in interest / Material encumbrances	Date of CF or CCC	Land / Gross built-up area	NBV as at 31 March 2021 (RM'000)
1.	UFI	HS(D) 144382, PT 136243, Daerah Klang, Mukim Klang, Selangor / No.9, Jalan Anggerik Mokara 31/55, Kota Kemuning, Seksyen 31, 40460 Shah Alam, Selangor	Description: Single storey factory and warehouse with one (1) unit of TNB (substation), a 3-storey office, two (2) units of guard house, one (1) unit of garbage disposal and one (1) unit of covered motorcycle parking Existing use: Head office, manufacturing facility and warehouse	Industrial / Industrial / Freehold	Nil / Charged in favour of Public Bank Berhad on 30 April 2009	5 September 2013 and 23 November 2021 ⁽¹⁾	Land area: 12,138 sq. m Gross built-up area: 131,310 sq. ft	24,420

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered / Beneficial Owner	Title Details / Property Address	Description and Existing Use	Category of land use / Express Conditions / Tenure of property	Restrictions in interest / Material encumbrances	Date of CF or CCC	Land / Gross built-up area	NBV as at 31 March 2021 (RM'000)
2.	UFI	Geran 96627, Lot 64500, Daerah Klang, Mukim Klang, Selangor / No.4, Jalan Sungai Merbau 32/100, Kemuning Greenville, 40460 Shah Alam, Selangor	Description: Double storey terrace house Existing use: Staff quarters	Building / Residential building / Freehold	Nil / Nil	22 July 2000 ⁽²⁾	Land Area: 123 sq. m Gross built-up area: 163 sq. m	208
3.	UFI	Geran 96654, Lot 64527, Daerah Klang, Mukim Klang, Selangor / No.23, Jalan Sungai Merbau 32/99, Kemuning Greenville, 40460 Shah Alam, Selangor	Description: Double storey terrace house Existing use: Staff quarters	Building / Residential building / Freehold	Nil / Nil	22 July 2000 ⁽²⁾	Land area: 123 sq. m Gross built-up area: 163 sq. m	172
4.	UFI	Geran 58025, Lot 70819, M5-4-420, Mukim Klang, Daerah Klang, Selangor / 5-4-13, Block 5, Pangsapuri Sri Kemuning, Jalan Anggerik Aranda 31/42, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor	Description: Apartment Existing use: Staff quarters	Residential building ⁽³⁾ / Freehold	Nil / Nil	15 June 2001 ⁽²⁾	Gross built-up area: 70 sq. m	154

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered / Beneficial Owner	Title Details / Property Address	Description and Existing Use	Category of land use / Express Conditions / Tenure of property	Restrictions in interest / Material encumbrances	Date of CF or CCC	Land / Gross built-up area	NBV as at 31 March 2021 (RM'000)
5.	UFI	Geran 58025, Lot 70819, M5-5-424, Mukim Klang, Daerah Klang, Selangor / 5-5-01, Block 5, Pangsapuri Sri Kemuning, Jalan Anggerik Aranda 31/42, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor	Description: Apartment Existing use: Staff quarters	Residential building ⁽³⁾ / Freehold	Nil / Nil	15 June 2001 ⁽²⁾	Gross built-up area: 70 sq. m	162
6.	UFI	Geran 58025, Lot 70819, M6-5-504, Mukim Klang, Daerah Klang, Selangor / 6-5-01, Block 6, Pangsapuri Sri Kemuning, Jalan Anggerik Aranda 31/42, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor	Description: Apartment Existing use: Staff quarters	Residential building ⁽³⁾ / Freehold	Nil / Nil	15 June 2001 ⁽²⁾	Gross built-up area: 70 sq. m	141
7.	UFI	Geran 58025, Lot 70819, M6-5-516, Mukim Klang, Daerah Klang, Selangor / 6-5-13, Block 6, Pangsapuri Sri Kemuning, Jalan Anggerik Aranda 31/42, Seksyen 31, Kota Kemuning, 40460 Shah Alam, Selangor	Description: Apartment Existing use: Staff quarters	Residential building ⁽³⁾ / Freehold	Nil / Nil	15 June 2001 ⁽²⁾	Gross built-up area: 70 sq. m	165

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

(1) Issuance of CCC for mezzanine platforms and temporary building permit for awnings

On 5 September 2013, we had obtained a CCC for our Operational Facility in Shah Alam, Selangor consisting of a single storey factory and warehouse with one (1) unit of TNB (substation), a 3-storey office, two (2) units of guard house, one (1) unit of garbage disposal and one (1) unit of covered motorcycle parking. Mezzanine platforms ("**Mezzanine Platforms**") at the Operational Facility in Shah Alam, Selangor and awnings outdoors at the back of our Operational Facility ("**Awnings**") were installed in 2015 and 2016, respectively, measuring in total approximately 12,396 sq. ft. The Mezzanine Platforms are currently used for storage of input materials (including fire hose reel parts, fire hoses parts, fire extinguisher parts and packaging materials), and houses a powder coating system to carry out the coating process for fire extinguisher and fire hose reel. The Awnings are for the outdoor area utilised for transition of goods. We had subsequently on 23 November 2021 obtained a CCC for the Mezzanine Platforms. We have also obtained the temporary building permit ("**TBP**") for the Awnings which is valid from 29 November 2021 to 28 November 2022. A summary of our rectification process in obtaining the CCC and TBP are as set out below.

Under the Street, Drainage and Building Act 1974 ("**Street, Drainage and Building Act**"), prior written permission of the local authority is required among others for any partition, compartment, loft, roof, ceiling or other structures built in a building, any deviation from the any plans or specifications approved by the local authorities, or any alteration to a building otherwise than allowed by the local authority or by-laws made under the Street, Drainage and Building Act. Failure to obtain the local authorities' prior written permission for the above may subject the person in breach to fines or imprisonment or both, if convicted. Depending on the applicable provisions of the Street, Drainage and Building Act in breach, the maximum fines may range from RM25,000 to RM50,000 and additional daily fines for continuing offences after conviction, and the maximum imprisonment term may be up to three (3) years. The Street, Drainage and Building Act also stipulates that any person who occupies a building or any part of a building without a CCC may be subject to a fine of RM250,000 or imprisonment for up to 10 years or both, if convicted.

Pursuant to the Selangor Uniform Building Bylaws 1986, a temporary permit may be issued at the discretion of the local authority for the erection of a temporary building for a limited period to be specified upon the expiration of which the building shall be demolished.

In respect of the above non-compliance, we had, through our appointed civil engineering consultant ("**Consultant**") submitted the necessary applications on 12 August 2020 to obtain the CCC for the Mezzanine Platforms and TBP for the Awnings. We are advised by our Consultant that an approval for a planning permission ("**KM**") (for the application of CCC for the Mezzanine Platforms) and approval for revised building plans from MBSA which included the Mezzanine Platforms and Awnings, as well as a letter of support for the issuance of a CCC and the TBP from Bomba are required to obtain the CCC for the Mezzanine Platforms and TBP for the Awnings.

On 31 December 2020, the KM from MBSA had been obtained; and on 11 July 2021, the conditional approval on the revised building plans from MBSA. The conditions imposed by the conditional approval from MBSA require certain modifications to be made to the building plans by 8 August 2021. Due to various MCOs imposed since 1 June 2021, we had submitted the revised building plans to MBSA on 18 August 2021. On 9 September 2021, the approval for the final revised building plans had been issued. Subsequent to the clearance by MBSA on the building plan as at 9 September 2021, Bomba had carried out the necessary inspections on the premises and issued its letter of support for the CCC on 27 October 2021 and there were no requirements from Bomba for further revisions or amendments to the building plans approved by MBSA.

6. INFORMATION ON OUR GROUP (Cont'd)

On 23 November 2021, we obtained the CCC for the Mezzanine Platforms. We have subsequently obtained the TBP which is valid from 29 November 2021 to 28 November 2022. The TBP is renewable annually.

As at the LPD, we have not been imposed with any fines nor penalties by MBSA other than a compound of RM8,714 on 7 September 2020 by MBSA for the non-compliance / construction of Mezzanine Platforms without permit and the compound was duly settled on 2 December 2020. The Group has not experienced any material adverse impact to its financial position arising from the above compound of RM8,714 as at the LPD.

We will continue to ensure compliance to the relevant provisions under Street, Drainage and Building Act, Town and Country Planning Act 1976.

(2) Properties used as staff quarters.

Under the Employees Minimum Standards of Housing and Amenities Act 1990 (“**EMSHA 1990**”), we are required to obtain a Certificate of Accommodation to use these properties as employee accommodation. As at the LPD, there are 46 employees staying at the staff quarters.

We have submitted an application to the Department of Labour Peninsular Malaysia (“**JTK**”) on 19 February 2021 (for properties set out in Section 6.22.1) as well as 23 August 2021 (for properties set out in Section 6.22.2) and the inspection of the properties by JTK had been delayed due to various phases of MCOs imposed. On 23 November 2021, JTK had conducted their inspection on these properties and we have subsequently obtained the Certificates of Accommodation for these properties on 3 February 2022 with a validity period of 3 years.

Pursuant to the EMSHA 1990, failure to obtain such certification may subject UFI to a fine not exceeding RM50,000 for each accommodation without a certificate. The costs incurred in the application for the Certificates of Accommodation amount to approximately RM1,100. The Group has not been made aware nor has the Group been subject to any penalties or enforcement action from the authorities throughout the course of their application process for the Certificates of Accommodation.

(3) This refers to the express conditions stated on the individual strata titles of the property.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.22.2 Material Properties rented

As at the LPD, there are no material land and buildings rented by our Group for our business operations, other than as follows:

Landlord	Tenant	Postal Address	Description / Existing Use	Date of CF / CCC or equivalent	Built up Area	Tenure	Rental Per Annum (RM)
Hamsavadani A/P Venugopal	UFI	Pangsapuri Sri Kemuning Block 3-1-12, Jalan Anggerik Aranda 31/42, Kota Kemuning 40460 Shah Alam, Selangor	Description: Apartment Existing use: Staff quarters	15 June 2001 ⁽¹⁾	Gross built-up area: 70 sq. m	1 June 2021 to 31 May 2022	12,000

Note:

(1) Please see Note 2 of Section 6.22.1 above in relation to the status of the certificate of accommodation from JTK for this staff accommodation.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.23 GOVERNING LAWS AND REGULATIONS

A summary of the relevant laws and regulations governing the business of our Group are set out below:

6.23.1 Industrial Co-ordination Act 1975

The Industrial Co-ordination Act 1975 ("**ICA 1975**") governs the co-ordination and development of manufacturing activities in Malaysia.

Pursuant to Section 3(1) of the ICA 1975, no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity. Failure to observe and adhere to the licensing requirements under the ICA 1975 will constitute an offence which is punishable on conviction by a fine not exceeding RM2,000 or to a term of imprisonment not exceeding six (6) months and to a further fine not exceeding RM1,000 per day during which the non-compliance continues.

"Manufacturing activity" is defined under the ICA 1975 as the "making, altering, blending, ornamenting, finishing or otherwise treating or adapting any articles or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade".

Manufacturing companies with shareholders' funds of RM2.5 million and above or engaging 75 or more full-time paid employees are required to apply to the MITI for a manufacturing licence.

Pursuant to section 6(1) of the ICA 1975, where a licensed manufacturer has not complied with any condition imposed in the licence, the licensing officer may in his discretion revoke the licence.

As at the LPD, our subsidiary UFI holds a valid manufacturing licence issued by the MITI. The Group's principal activities of assembly and manufacturing of active fire protection systems, equipment and accessories for built environment (further detailed in Section 6.4) fall within the definition of "manufacturing activity" pursuant to the above definition in the ICA 1975. Please refer to further details of our subsidiary UFI's manufacturing licence, major conditions imposed therein and the status of our compliance in Section 6.19.1.1 of this Prospectus.

6.23.2 Street, Drainage and Building Act 1974, Uniform Building By-Laws 1984, Selangor Uniform Building Bylaws 1986, Town and Country Planning Act 1976 and Fire Services Act 1988

In relation to properties owned or rented by our Group for our business operations

In the course of our business operations, we are required to ensure that the properties owned or rented by our Group for our business operations comply with the Street, Drainage and Building Act, the Uniform Building By-Laws 1984 ("**UBBL**"), the Selangor Uniform Building Bylaws 1986 ("**Selangor UBBL**") as well as the Town and Country Planning Act 1976 ("**Town and Country Planning Act**") and the relevant by-laws issued pursuant thereto which regulate among others the occupation of buildings and uniformity of local government matters relating to street, drainage and buildings. The UBBL is a subsidiary legislation made under the Street, Drainage and Building Act. The Town and Country Planning Act governs the proper control and regulation of town and country planning in Peninsular Malaysia and regulates among others modifications to planning permissions and building plan approvals issued by local authorities.

6. INFORMATION ON OUR GROUP (Cont'd)

Pursuant to the Street Drainage and Building Act, prior written permission of the local authority is required among others for any partition, compartment, loft, roof, ceiling or other structures built in a building, any deviation from the any plans or specifications approved by the local authorities, or any alteration to a building otherwise than allowed by the local authority or by-laws made under the SDBA. Failure to obtain the local authorities' prior written permission for the above may subject the person in breach to fines or imprisonment or both, if convicted. Depending on the applicable provisions of the Street, Drainage and Building Act in breach, the maximum fines may range from RM25,000 to RM50,000 and additional daily fines for continuing offences after conviction, and the maximum imprisonment term may be up to three (3) years. The Street, Drainage and Building Act also stipulates that any person who occupies a building or any part of a building without a CCC may be subject to a fine of RM250,000 and/or imprisonment for up to 10 years, if convicted.

Pursuant to the Selangor UBBL, a temporary permit may be issued at the discretion of the local authority for the erection of a temporary building for a limited period to be specified upon the expiration of which the building shall be demolished.

Please see Section 6.22 of this Prospectus for further details of the material properties which we own or rent for our business operations and the status of our compliance with the above regulations.

In relation to our products and business activities

The Street, Drainage and Building Act, the UBBL as well as the uniform building by-laws adopted by the respective states together with the Fire Services Act 1988 ("**Fire Services Act**") also sets out the applicable standards and requirements for fire safety standards, firefighting installations and appliances.

The Fire Services Act is also the governing legislation for the establishment of Bomba as a federal agency and empowers the Minister of Home Affairs, Malaysia to make regulations among others in relation to:

- regulating the manufacture, sale, installation, testing, servicing, and recharging of fire-fighting equipment or fire safety installation;
- regulating the types, locations, and testing of fire-fighting equipment or fire safety installation used in any premises; and
- regulating all matters relating to fire safety and fire precautions.

The Fire Services Act also empowers the Director General of Bomba to enforce the provisions of the Fire Services Act.

Among others, the regulations relate to our business activities and/or the products which we assemble, manufacture or distribute, as at the LPD are such as:

- (a) the requirements under the UBBL in relation to fire safety uniform standards among others in relation to:
 - (i) the requirements under the UBBL to have a portable fire extinguisher in private dwellings and apartments and flats that fall under the prescribed categories that was subsequently incorporated into the uniform building by-laws of certain states by way of gazettes namely Selangor, Penang, Terengganu and Melaka in 2012, 2016, 2013 and 2019, respectively;
 - (ii) fire requirements in Part VII the UBBL (e.g. technical requirements in relation to the building such as walls, ceilings, doors, exits etc);
 - (iii) fire alarms, fire detection, fire extinguishment and firefighting access in Part VIII of the UBBL;

6. INFORMATION ON OUR GROUP (Cont'd)

- (iv) the requirement for prescribed firefighting installations and appliances to conform with applicable standards set out in Part VIII of the UBBL, and the requirement that firefighting installations and appliances which do not fall within the standards set out in the UBBL are required to be tested and approved by Bomba. The UBBL also requires that plans, drawings and calculations of all fixed installations must be submitted for the approval of Bomba in the manner as prescribed by Bomba before commencement of work; and
- (b) the requirements prescribed by Bomba pursuant to the Fire Services Act to obtain approval certificates from Bomba for certain products as prescribed by Bomba from time to time. Please see Section 6.19.2 of this Prospectus for further details of the approval certificates our Group had obtained and further details of the renewal applications which are in processing as at the LPD.

The above requirements under the UBBL in paragraphs (a) to (b) are relevant to us in the course of assembling, manufacturing or distributing our products to meet our customers' preferences and the regulatory requirements which they are subject to. In relation to our products, pursuant to the Fire Services Act, the penalty for any non-compliance with the regulations issued thereunder may be a fine of not more than RM10,000 or imprisonment for a term not more than three (3) years or both, and where the offence continues after conviction not more than RM100 for each day the offence continues. For the Financial Years Under Review and up to the LPD, our Group has not been issued with any penalties by Bomba in relation to the above requirement for the product approval certificates;

- (c) the requirements prescribed by Bomba pursuant to the Fire Services Act in relation the portable fire extinguishers in Malaysia based on the Malaysian Standards (in particular MS1539 as of current). Among others, the Bomba prescribes the use the eFEIS system for purposes of monitoring the usage and maintenance of portable fire extinguishers, and that only a registered "competent person" with the Bomba under eFEIS is certified to carry out service and maintenance of portable fire extinguishers. As at the LPD, the standard prescribes among others that every fire extinguisher installed in commercial premises must be registered with eFEIS, must have an eFEIS barcode certificate affixed to the cylinder which must be renewed annually and that the shelf life of the portable fire extinguisher is 10 years from the manufacturing date.

As at the LPD, our Group is in compliance with the requirements of Bomba in relation to the use of eFEIS system in particular for our activities of assisting our customers to register their portable fire extinguishers through the eFEIS system, as well as servicing and maintenance of such fire extinguishers by a registered competent person namely Roy Liew who is our Operation Director and Mohd Shabri Bin Abdul Rashid who is our Senior Supervisor. For the Financial Years Under Review and up to the LPD, our Group has not been issued with any penalties by Bomba in relation to our use of the eFEIS system.

6.23.3 Environmental Quality Act 1974

Due to the nature of our Group's assembly and manufacturing activities, we are required to comply with the Environmental Quality Act 1974 ("**EQA 1974**") and the Environmental Quality (Scheduled Wastes) Regulation 2005 among others in particular to the disposal of scheduled waste in Malaysia. The EQA 1974 also empowers the DOE to issue regulations, such as the Environmental Quality (Scheduled Wastes) Regulations 2005 ("**Scheduled Waste Regulations**"), specifying acceptable conditions for the emission, discharge or deposit of environmentally hazardous substances, pollutants or wastes or the emission of noise into the environment.

6. INFORMATION ON OUR GROUP (Cont'd)

It is an offence under the EQA 1974 to dispose scheduled wastes on land or into Malaysian waters unless with the approval of the DOE. A breach of this provision would subject the offender to a fine of not more than RM500,000 or imprisonment of not more than five (5) years or both. Among others, the EQA 1974 and the Scheduled Waste Regulations also requires that only licensed holders are allowed to transport and/or dispose of scheduled wastes.

In the course of our operations, we generate scheduled wastes such as contaminated rags and gloves and waste paint powder at our Operational Facility in Shah Alam, Selangor. As at the LPD, our Group's disposal of scheduled wastes is carried out by a licensed service provider. For the Financial Years Under Review and up to the LPD, our Group has not been issued with any penalties by the DOE pursuant to the EQA1974 and any regulations issued under the EQA 1974 in relation to the disposal of our scheduled wastes.

6.23.4 Factories and Machinery Act 1967 ("FMA 1967")

The FMA 1967 and Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970 governs the issuance of the certificate of fitness for applicable machineries. We are required under the provisions of this statute to ensure that the health, safety and welfare of our employees at the workplace are maintained and this includes but not limited to ensuring that the machinery used in our Group's operations has undergone the necessary inspection upon installation, registered and possesses the relevant certificate of fitness.

Breaches and offences of the FMA 1967 may amount to penalties imposed on our Group. Taking into account of its severity and type of offences, the penalties imposed may be a fine of up to RM250,000 and/or imprisonment for a term not exceeding five (5) years and to a further fine not exceeding RM2,000 for each day or part of a day during which the offence continues after the first day in respect of which the conviction is recorded.

As at the LPD, our Group has obtained valid certificates of fitness for the applicable machineries. Please refer to Section 6.19.1 for further details of the certificates of fitness we have obtained for our machineries pursuant to the FMA 1967.

6.23.5 Occupational Safety and Health Act 1994 ("OSHA 1994")

The OSHA 1994 regulates among others the safety, health and welfare of persons at work, protecting others against the risks to safety or health in connection with the activities of persons at work in the manufacturing industry. The OSHA 1994 imposes an obligation on employers in the manufacturing industry to take proper steps to ensure the health, safety and welfare of persons at work, the protection of others against the risks to safety or health related to the activities of persons at work.

The OSHA 1994 provides that it is the duty of every employer to ensure the safety, health and welfare at work of all his employees, so far as is practicable, in particular:

- (a) the provision and maintenance of plant and systems of work that are safe and without risks to health;
- (b) the making of arrangements for ensuring safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;
- (c) the provision of such information, instruction training and supervision as is necessary to ensure the safety and health at work of his employees;
- (d) as regards any place of work under the control of the employer, the maintenance of it in a condition that is safe and without risks to health and the provision and maintenance of the means of access to and egress from it that are safe and without such risks; and

6. INFORMATION ON OUR GROUP (Cont'd)

- (e) the provision and maintenance of a working environment for his employees that is safe, without risks to health, and adequate as regards facilities for their welfare at work.

Non-compliance of the above will result in an offence and on conviction would constitute to a fine not exceeding RM50,000 and/or to imprisonment for a term not exceeding two (2) years.

If an activity is undertaken at the workplace that may likely cause serious risk to the health of any person or create an immediate danger to life or property, the DOSH officer may issue an improvement notice or prohibition notice for any non-compliance of the OSHA 1994. Non-compliance with such notice without reasonable excuse will result in an offence and on conviction, the employer is liable to a fine not exceeding RM50,000 and/or imprisonment for a term not exceeding five (5) years and a further fine of RM500 for each day during which the offence continues.

For the Financial Years Under Review and up to the the LPD, our Group has not been issued with any penalties by DOSH pursuant to the OSHA1994.

6.23.6 Employees Minimum Standards of Housing and Amenities Act 1990

The Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSHA 1990") and the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 issued under the EMSHA 1990, imposes, among other things, the minimum standards on accommodation for employees and the requirement for employers to obtain a certificate of accommodation from the Department of Labour Peninsular Malaysia for each accommodation premise.

To obtain the certificate of accommodation, the employer is required to ensure that every accommodation provided for employees complies with the minimum standards which includes, amongst others, the minimum space requirement for workers' accommodation, basic facilities, as well as safety and hygiene standards required under the EMSHA 1990 or any regulations made thereunder. Pursuant to the EMSHA 1990, failure to obtain such certification may constitute to a fine not exceeding RM50,000 with respect to each employees' accommodation without a certificate of accommodation.

As at the LPD, our applications for certificates of accommodation in relation to our seven (7) staff accommodations are still in progress. We have subsequently obtained the relevant Certificates of Accommodation on 3 February 2022. Please refer to Sections 6.22.1 and 6.22.2 for further details on the Certificates of Accommodation issued in relation to our staff accommodations.

6.23.7 Local Government Act 1976 ("LGA 1976")

Pursuant to Section 102 of the LGA 1976, local authorities are empowered to make, amend and revoke bylaws. Presently, as our Group's business activities are carried out at the Operational Facility in Shah Alam, Selangor, we come under the jurisdiction of the MBSA and the relevant bylaws governing the conduct of our Group's business activities would be the Licensing of Trades, Businesses and Industries (Shah Alam City Council) By-Laws 2007 ("MBSA By-Laws 2007").

The MBSA By-Laws 2007 provides that no person shall operate any activity of trade, business and industry or use any place or premise in the local area of MBSA for any activity of trade, business and industry without a licence issued by MBSA. A contravention of the MBSA By-Laws 2007 would constitute to an offence and shall, on conviction, be liable to a fine not exceeding RM2,000 and/or to imprisonment for a term not exceeding one (1) year and to a further fine not exceeding RM200 for each day during which such offence is continued after conviction.

As at the LPD, UFI has a valid industrial licence issued by MBSA, further details of which are set out in Section 6.19.1.

6. INFORMATION ON OUR GROUP (Cont'd)

The above summary does not purport to be an exhaustive description of all laws and regulations of which our business is subject to.

As at the LPD, save as disclosed in Sections 6.12, 6.19, 6.22.1 and 6.22.2, there are no breach of laws, regulations, rules or requirements governing the conduct of our business and environmental issues which may materially affect our Group's business or operations and usage of properties owned by our Group.

6.24 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

To this end, our Group has implemented, and are in the midst of implementing, the following practices:

(a) Environmental

Our Group is in the process of adopting sustainable practices in response to the environmental issues. We intend to install a solar PV system under the Selco programme. The consideration of different primary energy sources is important from the perspective of end-to-end cost of power generation, sustainability of supply and impact on the environment. Please refer to Section 6.18.5 (i) for further details.

In 2021, our Group started to market FK5112 fire suppression system (an alternative to HFC) which is in line with the purpose of the United Nations agreement ratified by Malaysia to phase out the use of HFC. Please refer to Section 6.8 for further details.

(b) Social

Our Group is committed to serve the interests of stakeholders which includes our employees by promoting gender and cultural diversity in our workplace. We embrace diverse cultures and genders among the Board members and employees.

Further, our Group has taken various corporate social responsibility initiatives to serve the needs of community. In heightening the public awareness on the fire safety, we had in 2019, hosted an educational field trip for UiTM Johor (Segamat branch) students, conducted Unique227 Fire Suppression Systems product training for members of TNBR QATS Sdn Bhd and donated fire extinguishers to Ti-Ratana Welfare Society.

Being manufacturer and assembler of products relating to the public safety, our Group upholds the importance of product and/or service quality. As such, our Quality Assurance and Quality Control Department ("QAQC") upholds the responsibility to monitor the product quality continuously. Most of our products are of international standard, with ISO certifications and/or SIRIM certified.

(c) Governance

Our Group is committed to conduct our business ethically and in compliance with all relevant laws and regulations as disclosed in Section 6.23. In maintaining high standards of corporate governance, our Board has adopted the recommendations under the Malaysian Code on Corporate Governance.

In addition, our Group adopted zero-tolerance policy towards bribery, and as such have put in place the policies and procedures to ensure strict compliance with the Malaysian Anti-Corruption Commission Act 2009 and its amendments. In relation to the Group's risk management, our Group has put in place a Risk Management and Internal Control Framework to monitor closely on the risk associated with the company objectives.

7. INDUSTRY OVERVIEW



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1 November 2021

The Board of Directors
Unique Fire Holdings Berhad
No. 9, Jalan Anggerik Mokara 31/55
Kota Kemuning
40460 Shah Alam
Selangor Darul Ehsan

Dear Sirs and Madam

Independent Assessment of the Active Fire Protection Industry in Malaysia

We are an independent business consulting and market research company in Malaysia. We commenced our business in 1993 and, among others, our services include the development of business plans incorporating financial assessments, information memorandums, commercial due diligence, feasibility and financial viability studies, and market and industry studies. We have been involved in corporate exercises since 1996, including initial public offerings and reverse takeovers for public listed companies on Bursa Malaysia Securities Berhad (Bursa Securities), acting as the independent business and market research consultants.

We have been engaged to provide an independent industry assessment on the above for inclusion into the prospectus of Unique Fire Holdings Berhad concerning its proposed listing on the ACE Market of Bursa Securities. We have prepared this report independently and objectively and had taken all reasonable consideration and care to ensure the accuracy and completeness of the report. It is our opinion that the report represents a true and fair assessment of the industry within the limitations of, among others, availability of up-to-date information, secondary information and primary market research. Our assessment is for the overall industry and may not necessarily reflect the individual performance of any company. We do not take any responsibility for the decisions or actions of readers of this document. This report should not be taken as a recommendation to buy or not to buy the securities of any company.

Our report may include assessments, opinions and forward-looking statements, which are subject to uncertainties and contingencies. Note that such statements are made based on, among others, secondary information and primary market research, and after careful analysis of data and information, the industry is subject to various known and unforeseen forces, actions and inactions that may render some of these statements to differ materially from actual events and future results.

Yours sincerely

Wong Wai Ling
Director

Wong Wai Ling has a Bachelor of Arts degree from Monash University, Australia and a Graduate - Diploma in Management Studies from the University of Melbourne, Australia. She has more than 20 years of experience in business consulting and market research including initial public offerings for companies seeking listings on Bursa Securities.

7. INDUSTRY OVERVIEW (Cont'd)



INDEPENDENT ASSESSMENT OF THE ACTIVE FIRE PROTECTION INDUSTRY IN MALAYSIA

1. INTRODUCTION

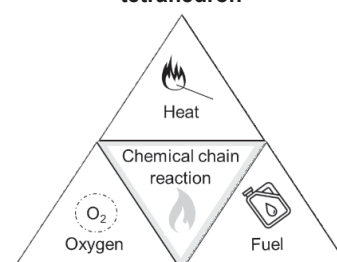
- Unique Fire Holdings Berhad and its subsidiaries (herein referred to as Unique Fire Group) are involved in the assembly, distribution and manufacture of active fire protection systems, equipment and accessories deriving its revenue mainly from Malaysia which will be the focus of this report. This report is concerned with the destructive and unwanted nature of fire and its related consequences. The focus of this report is on active fire protection for the built environments.

2. INDUSTRY STRUCTURE

2.1 Fire elements

- The fire tetrahedron refers to the four elements required for igniting and sustaining a fire. Fire will extinguish if one or more of the four elements are removed. The four elements are the oxygen that sustains combustion, fuel or combustible material that feeds the fire, sufficient heat to ignite the combustible material, and the consequential heat generated that cause a chain reaction to the primary materials and surrounding environment. According to the Malaysian Standards (MS), the fuel source can be different types of combustible material that will lead to different classes of fire as follows:

The four elements of the fire tetrahedron



Class of fire	Combustible materials
A	Solid materials, usually of an organic nature
B	Flammable liquids or liquefiable solids
C	Flammable gases
D	Combustible metals such as lithium, potassium, magnesium and titanium
E	Energised electrical equipment
F	Cooking media such as vegetable or animal oils and fats in cooking appliances

- The different classes of fire will require different agents to extinguish or suppress the fire. Unique Fire Group is involved in providing fire protection systems, equipment and accessories against all classes of fire except Class D fires.
- Fire can occur in open areas such as forest fire or built environments including within and around buildings, infrastructure, amenities and facilities. This report is only concerned with the destructive and unwanted fire in built environments.

2.2 Mitigating and eliminating effects of fire

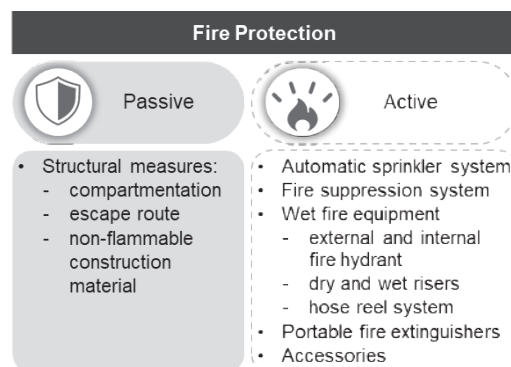
- Mitigating or eliminating the unwanted and destructive effects of fire include practising fire safety and prevention, and providing fire protection equipment.
- Fire safety** is concerned with putting in place various precautionary measures to minimise the occurrence of a fire, and if a fire does occur, to minimise or eliminate its destructive effects. Among others, they include various rules, regulations, guidelines and best practices.

7. INDUSTRY OVERVIEW (Cont'd)



- **Fire prevention** involves taking proactive steps to reduce fire hazards. Some of the ways include:
 - performing regular fire risk assessments, resolving deficiencies such as poorly maintained heating or electrical systems, and improper storage of flammable materials;
 - performing regular testing and maintenance of fire protection equipment to ensure they are functional at all times;
 - perform regular fire drills; and
 - educating building service providers and occupants on fire prevention practices and the operation of fire protection equipment.

- **Fire protection** in built environments relies on firefighting facilities to detect and minimise damages associated with fire. Fire protection can be categorised as follows:



[] Unique Fire Group operates in this segment

- (i) **Passive fire protection** refers to structural measures implemented in built environments to control and prevent the spread of fire and smoke without any intervention. They are incorporated in buildings or other structures during the construction phase to mitigate fire hazards and risks. Some examples include the use of fire-resistance-rated walls, doors and cavity barriers to compartmentalise the overall building, providing clear paths for an escape route, as well as the use of non-flammable construction materials where possible.

- (ii) **Active fire protection** refers to equipment and systems that need to be manually or automatically activated and applied in the event of a fire to perform its function. All equipment and systems should be maintained and serviced regularly for them to be effective. Some examples include:

- **sprinkler system**, which comprises a network of overhead water pipes covering rooms and areas with sprinkle heads strategically placed along the piping network to release water when required. Each sprinkler head comprises a bulb or fusible plug that will break due to an increase in temperature caused by a fire and subsequently water will be discharged over the area of the fire. Each sprinkler head acts independently and therefore, the discharge of water is isolated to the area of the fire.
- **fire suppression system**, which uses a similar network of pipes and release nozzles similar to a sprinkler system except that the extinguishing agents used are either in gas, chemical or foam.
- **wet fire equipment**, such as:
 - external fire hydrants which consist of a system of pipework connected to a water supply to provide water for firefighters to fight a fire;
 - internal fire hydrants used in conjunction with dry or wet riser systems which are required for low and high-rise buildings
 - dry riser system, which consists of landing valves, pressure regulating valves, breeching inlets and riser pipes, which must be supplied by an external source of water pumped through one or more breeching inlets when required.
 - wet riser system is similar in design to dry riser system except that the pipes are kept permanently full of water via water tanks and pumps to ensure immediate water supply when needed.
 - fire hose reel, which is designed to be used by building occupants in the early stages of a fire, and comprises a drum with side-plates and a pre-attached fire

7. INDUSTRY OVERVIEW (Cont'd)



- hose with appropriate valves and fittings that are connected to a source of water, such as mains water supply, wet or dry riser system. Fire hose reels are usually located in prominent positions in each floor level along escape routes or beside exit doors or staircases.
- fire hoses, which works with wet or dry risers, and fire hydrants for use by fire fighters.
- **portable fire extinguishers**, which are elementary firefighting equipment used during the initial outbreak of fire to prevent escalation into a full-scale fire. Portable fire extinguishers contain various types of extinguisher agents suitable for various classes of fire.
- **accessories** are devices and systems that facilitate fire protection. They include fire alarm and detection devices and systems which can operate on a standalone basis or connected to monitoring stations as well as trigger an automatic response such as alerting the fire department, activating sprinklers or closing fire doors when smoke, heat or carbon monoxide are detected.
- Unique Fire Group is involved in the assembly, distribution and manufacture of active fire protection equipment, systems and accessories for built environments.

2.3 Types of fire extinguishing agents

- Fire extinguishing agents aim to eliminate one of the four elements of the fire tetrahedron to extinguish the fire caused by different types of combustible materials. The principal fire extinguishing agents are as below:

Extinguishing Agent	Fire Class*	Applications
Water	A	Water extinguishes fire by cooling the fire to reduce or stop the burning, and also smothers the fire to deprive it of oxygen. It is suitable for fighting fires involving solid combustible materials such as wood, paper, plastics and textiles.
Foam	A, B	The water content in the foam cools the fire while the foam itself starves the fire of oxygen.
Dry chemical	A, B, C, D [^] , E	When the dry chemical in powder form is discharged over the fire, the fire will melt the powder which will settle and cover the combustible material, therefore depriving the fire of oxygen as well as interrupting any chemical reaction to extinguish the fire.
Wet chemical	A, F	The wet chemical is dispensed as a foam to cover the flammable liquid, commonly oils and fats, where the foam will cool the fire as well as form a crust on top of the flammable liquid, thus depriving the fire of oxygen and preventing reignition. It is suitable for kitchens and facilities that carry out deep frying or cooking with oils and fats.
Carbon dioxide	B, E	Carbon dioxide is discharged to reduce the oxygen level to stop the fire quickly and efficiently but can be dangerous to humans and animals.
Clean agents	A, B, E	They comprise several extinguishing agents which leave no residue, making them ideal for irreplaceable or valuable assets such as computing and communication equipment. Examples include HFC-227ea (heptafluoropropane) and FK-5-1-12 (fluorinated ketone).
Water mist	A, B, C, E, F	It is a recent development where the equipment releases a mist of microscopic deionised water to reduce the heat and oxygen level. It is suitable for electrical fires, as well as flammable liquids and gases as deionised water is non-conductive and non-toxic.

* Common classes of fire it extinguishes ; ^ Class D fire will require special dry chemical.

- Unique Fire Group's fire protection systems and equipment use all the above extinguishing agent types except for water mist, and covering all classes of fire except Class D.

7. INDUSTRY OVERVIEW (Cont'd)



3. SOME KEY REGULATIONS AND STANDARDS GOVERNING THE INDUSTRY

3.1 Regulations relating to fire safety and protection in buildings and motor vehicles

- In Malaysia, the relevant fire safety regulations include, among others, the Fire Services Act 1988 and the Uniform Building By-Laws (UBBL) 1984. According to the Fire Services Act 1988, every designated premise except single private dwellings or public religious worship areas, requires a Fire Certificate (FC) that has to be renewed annually. Some examples of designated premises include offices with heights exceeding 30 metres or 10,000 square meters of total floor area and shops with over 3,000 square meters of total floor area. The FC is issued by the Fire and Rescue Department of Malaysia, also known as Bomba, to the premises after inspection to ensure there is adequate fire safety, prevention and protection, and firefighting facilities.
- UBBL 1984 is a subsidiary law under the Street, Drainage and Building Act 1974. It regulates the design and construction of buildings to establish uniform standards relating to fire safety as presented in Part 7 (fire requirements) and Part 8 (fire alarm, detection and extinguishment and firefighting access). In addition, there is a requirement to have a portable fire extinguisher in private dwellings and apartments and flats which fall under the prescribed categories that was subsequently incorporated into the UBBL of certain states by way of gazettes namely Selangor, Penang, Terengganu and Melaka in 2012, 2016, 2013 and 2019 respectively. According to the Road Transport Department Malaysia (JPJ), public service vehicles, such as buses, taxis, hire cars and e-hailing vehicles, are required to have fire extinguishers.

3.2 Regulations governing fire protection products

- Fire protection products are required to be certified with Bomba before it can be installed in premises. Some of these fire protection products that require Bomba certification include, among others, fire extinguishers, fire suppression systems, fire hose reels, and smoke and heat detectors. As part of Bomba's certification process, the product has to be certified by testing laboratories that Bomba recognises including, among others, SIRIM Berhad, Underwriters Laboratories LLC, FM Approvals LLC or any testing laboratories recognised by the Department of Standards Malaysia.
- The Electronic Fire Extinguisher Inspection System (eFEIS) is a system established by Bomba to govern the usage and maintenance schedule of portable fire extinguishers in Malaysia. Every unit of portable fire extinguisher used in commercial premises is required to have an eFEIS barcode certificate attached to the cylinder based on the MS 1539. The service and maintenance of portable fire extinguishers are governed by Bomba and only authorised competent person is allowed to carry out such service. Based on the MS 1539, a portable fire extinguisher needs to be serviced annually, and it has to be discarded 10 years after the manufacturing date. Therefore, the barcode certificate has to be renewed yearly, with the condition that it is manufactured within 10 years and it is not condemned.

3.3 Environmental regulations

- Malaysia is proactive in controlling the use of ozone-depleting substances. Hydrofluorocarbons (HFC), a group of chemicals mainly used as cooling agents or refrigerants, are currently used to replace chlorofluorocarbons (CFC) and hydrochlorofluorocarbons (HCFC) for fire extinguishing agents, as both CFC and HCFC deplete the ozone layer and have been phased out in Malaysia. However, Malaysia has ratified a United Nations agreement to phase out the use of HFC progressively as HFC contributes to global warming although HFC does not deplete the ozone layer. The HFC usage has to be reduced by 80% by 2045 with usage frozen at a baseline as of 1 January 2024. Alternatives to HFC include, among others, fluorinated ketones (FK-5-1-12 or C₆F₁₂O). Unique Fire Group has started to market FK5112 fire suppression system in the first half of 2021.

7. INDUSTRY OVERVIEW (Cont'd)



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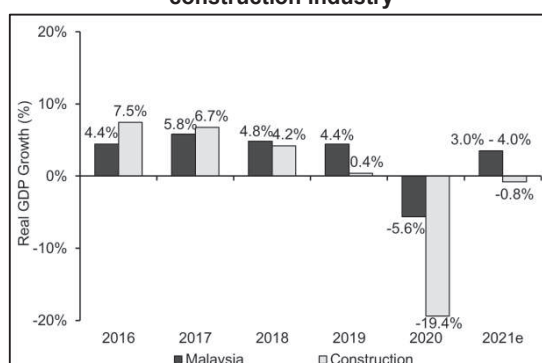
- The import and export of fire extinguishing agents, particularly HFC, are controlled by the Department of Environment (DOE), where all importers and exporters of HFC substances including HFC-227ea (heptafluoropropane or C_3HF_7), HFC-23 (trifluoromethane or CHF_3) and HFC-125 (pentafluoroethane or CF_3CHF_2) must be registered with the DOE. The Group is registered with DOE as an importer and exporter of HFC products.

4. SUPPLY AND DEMAND CONDITIONS

4.1 Malaysia's economic activities

- Active fire protection equipment providers are dependent on the general well-being of the economy as well as activities in the construction industry which includes building construction, civil engineering and specialised construction. New buildings in residential, commercial, industrial, infrastructure and public amenities and facilities will contribute to the demand for active fire protection systems and equipment.

Real GDP growth of Malaysia's economy and the construction industry



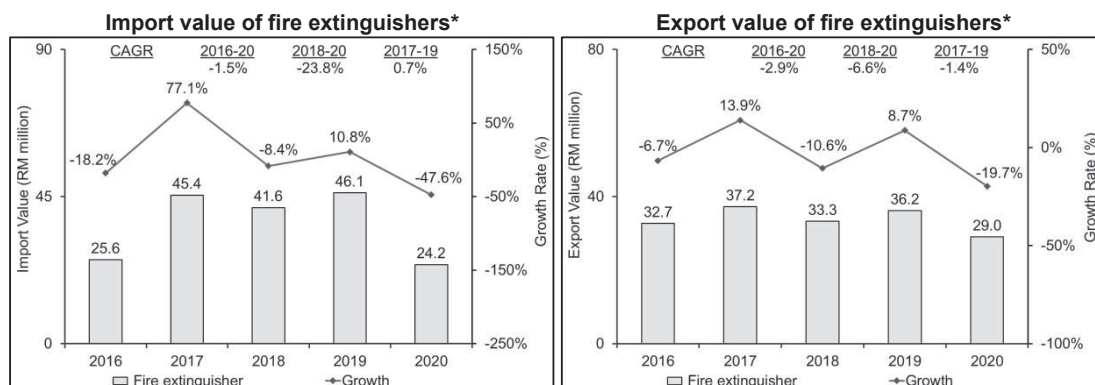
(Source: Department of Statistics Malaysia, DOSM; Ministry of Finance, MoF)

- Real gross domestic product (GDP) indicates the value of all finished goods and services made within a country or sector without the impact of price inflation.
- In 2020, real GDP of Malaysia declined by 5.6%, mainly due to weak external demand conditions as well as restricted production and consumption activities resulting from containment measures arising from the COVID-19 pandemic. In the first quarter (Q1) of 2021, Malaysia's real GDP recorded a decline of 0.5% compared to Q1 2020, before it expanded and grew by 16.1% in the second quarter (Q2) 2021 compared to Q2 2020. The growth was attributed to the low base effect, recovery in external demand and the gradual reopening of economic sectors amid various containment measures implemented (Source: MoF).
- On a seasonally adjusted quarter-to-quarter basis, Malaysia's economy declined by 2.0% in Q2 2021 compared to Q1 2021 due to the containment measures implemented under Phase 1 of the National Recovery Plan (NRP) (Source: BNM). Overall, the economy in Malaysia is estimated to grow within the range of 3.0% to 4.0% in 2021 with a forecasted real GDP growth between 5.5% and 6.5% in 2022 (Source: MoF).
- Meanwhile, the real GDP of the construction industry declined by 19.4% in 2020 due to the reduced work capacity in compliance to containment measures, labour shortages contributed by international border closures, supply chain disruptions and site shutdowns following the COVID-19 pandemic. In Q1 2021, the construction industry improved with a smaller decline of 10.4% compared to Q1 2020, before it expanded with a growth of 40.3% in Q2 2021 supported by an improvement in specialised construction activities, non-residential buildings and residential buildings subsectors (Source: MoF).
- However, on a seasonally adjusted, quarter-to-quarter basis, the construction industry declined by 3.2% in Q2 2021 compared to Q1 2021, as only essential construction projects were allowed to operate at a reduced capacity during Phase 1 of the NRP (Source: BNM). The real GDP of the construction industry is estimated to decline by 0.8% in 2021 with a forecasted real GDP growth of 11.5% in 2022 (Source: MoF).

7. INDUSTRY OVERVIEW (Cont'd)

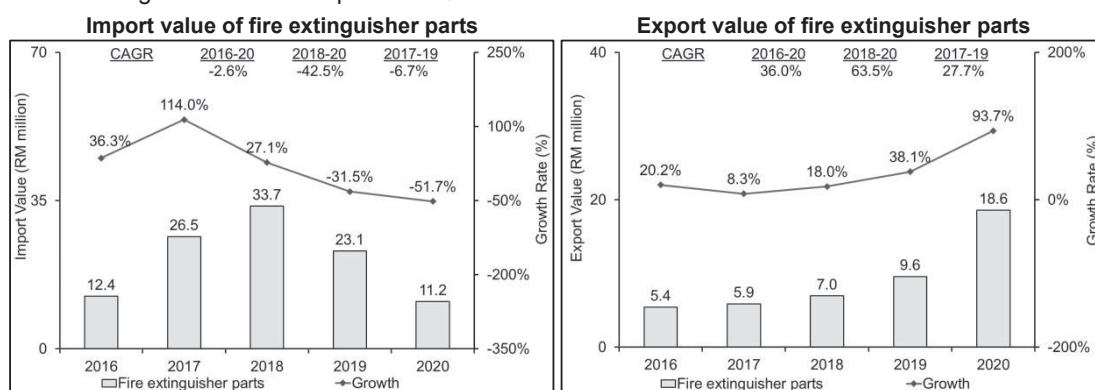


4.2 Malaysia's import and export of fire extinguishers and parts



* Whether or not filled (Source: DOSM)

- In 2020, imports and exports of fire extinguishers fell by 47.6% and 19.7% respectively. The decline was mainly due to measures taken domestically and globally to contain the impact of the COVID-19 pandemic that affected trade, demand, supply chain and production activities. In 2020, fire extinguishers were mainly imported from China, which accounted for 46.9% of the total import, whereas exports were mainly to Korea, Vietnam and Singapore which accounted for 17.1%, 14.4% and 11.6% of the total exports respectively. Import value of fire extinguishers declined by 28.9% from RM6.5 million in Q1 2021 to RM4.6 million in Q2 2021. Meanwhile, in Q2 2021, export value of fire extinguishers which amounted to RM8.7 million, grew by a marginal 0.7% as compared to Q1 2021.



(Source: DOSM)

- In 2020, imports of fire extinguisher parts which amounted to RM11.2 million, declined by 51.7% compared to 2019. In 2020, exports which amounted to RM18.6 million, increased by 93.7% compared to 2019. The growth in exports was mainly contributed by exports to Singapore which amounted to RM11.7 million in the first half of 2020. Import value of fire extinguisher parts grew by 38.3% from RM1.5 million in Q1 2021 to RM2.1 million in Q2 2021. Export value of fire extinguisher parts grew by 9.2% from RM1.3 million in Q1 2021 to RM1.4 million in Q2 2021.
- The main rationales that Malaysia imports and exports fire extinguishers at the same time are as follows:
 - Domestic manufacturers import to provide a wider range of fire extinguishers for their customers. They usually will not source from other domestic manufacturers who are deemed their competitors;
 - Some importers are distributors of foreign brands and products to compete against domestic manufacturers and suppliers; and
 - Some manufacturers also export their products to expand their business to other countries.

7. INDUSTRY OVERVIEW (Cont'd)



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4.3 Global steel conditions and prices

- Steel is one of the input materials used in the manufacture of active fire protection systems and equipment. Between 2017 and 2019, global steel prices ranged between US\$418/tonne and US\$637/tonne, with an average price of US\$538/tonne. In 2020, global steel prices dipped to their lowest since 2017 at US\$385/tonne on 11 May 2020. Since then, global steel prices have been increasing and reached an all-time high of US\$1,100/tonne on 24 May 2021, before subsequently falling to US\$890/tonne on 25 October 2021.



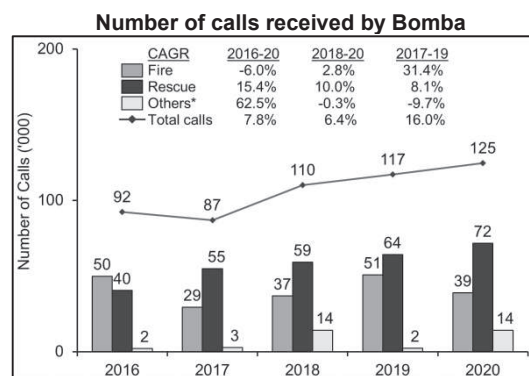
(Source: Vital Factor analysis)

- The increase in steel prices between May 2020 and May 2021 was mainly driven by an increase in steel demand contributed by the recovery of the global automotive market. Furthermore, steel production in 2020 was initially halted or delayed as construction and manufacturing industries were closed or operated on reduced capacity, which resulted in historically low inventories of steel. In addition, there were shortages of iron ore due to supply chain disruptions. However, since June 2021 and up to October 2021, steel prices have started to decline.

5. DEMAND DEPENDENCIES

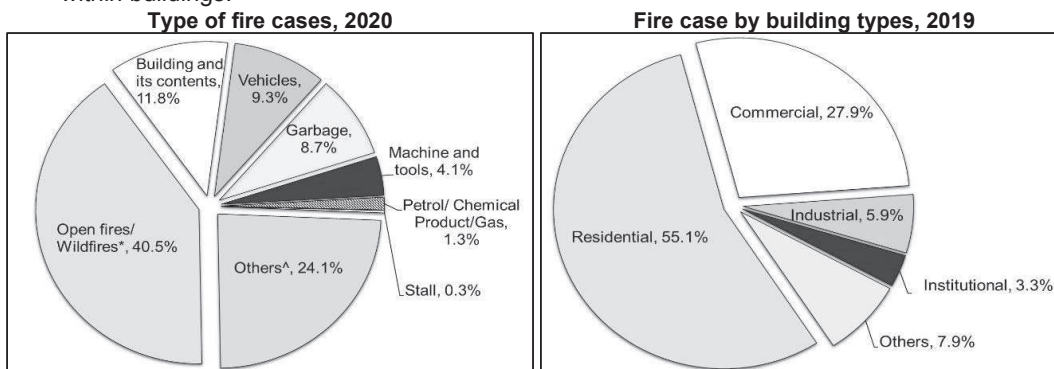
5.1 Fire incidences

- Fire incidences increase the awareness for the need of fire protection equipment. Between 2016 and 2020, the number of calls received by Bomba grew at a CAGR of 7.8%. In 2020, calls related to fires amounted to approximately 39,000 cases, and fire incidents killed 118 people, injured 413 people and caused an estimated loss of RM2.2 billion.



* Others include special services and false calls (Source: Ministry of Housing and Local Government, KPKT)

- In 2020, fire cases within buildings accounted for 11.8% of total fire cases, amounting to 4,599 cases.
- In 2019, residential and commercial premises collectively accounted for 83.0% of fire cases within buildings.

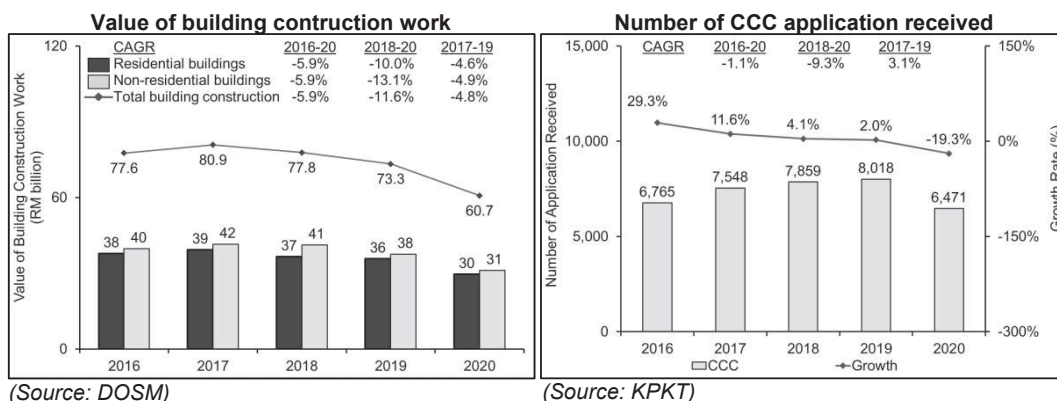


Note: Latest available data. * Includes farm, forest, bush and weed fires; ^ Includes planes, helicopter, ship, ferry, boat and others not elsewhere specified (Source: KPKT; Vital Factor analysis)

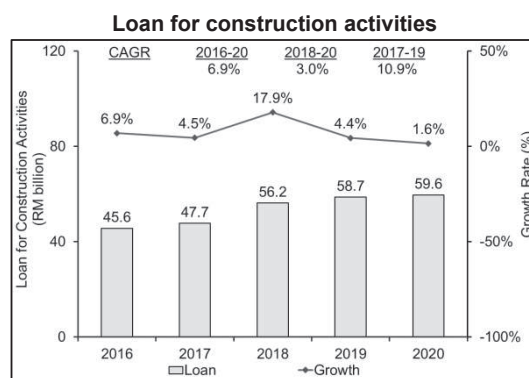
7. INDUSTRY OVERVIEW (Cont'd)



5.2 Performance of building construction and property development industries



- Active fire protection systems and equipment are dependent on the building construction industry including new buildings, as well as remodelling or renovations. Before COVID-19 pandemic, the value of building construction work declined at an average annual rate of 4.8% between 2017 and 2019 mainly due to fewer and smaller new projects amid the commercial property glut and elevated level of unsold residential properties (Source: BNM). In 2020, the value of building construction work continued to decline by 17.2%, compared to 2019. In Q2 2021, the value of building construction work amounted to RM14.3 billion which grew by 27.8% compared to Q2 2020.
- Certificate of Completion and Compliance (CCC) of buildings will only be issued after certified fire systems and/or equipment are installed. Between 2016 and 2020, the number of CCC applications received by local governments declined at an average annual rate of 1.1% mainly due to fewer completed projects amid the decline in building construction. In 2020, the number of CCC applications declined by 19.3% as construction work was disrupted due to the containment measures implemented in Malaysia.
- The performance of the construction industry is dependent on the availability of loans to fund construction activities. Availability of loans is dependent on factors such as liquidity in the market, financial institutions' internal lending policies, the Government and BNM's policies and guidelines. Between 2016 and 2020, loans for construction activities including buildings and civil engineering construction grew at a CAGR of 6.9% to provide liquidity for companies to carry out construction work. As at 30 September 2021, loans for construction activities amounted to RM60.9 billion.



- The property development industry is associated with the building construction industry. As such, the future supply of properties can be used as one of the indicators for the future construction of buildings which will drive demand for fire protection equipment. Future supply includes incoming supply which comprises units where construction works are in progress but CCC or temporary certificate of fitness for occupation has not been issued, and planned supply comprises units with building plan approvals but have not commenced construction as yet.

7. INDUSTRY OVERVIEW (Cont'd)



- Before the COVID-19 pandemic, between 2017 and 2019, the future supply of high-rise residential and industrial properties declined, while high-rise commercial properties grew. An increase in the future supply of high-rise commercial units indicates opportunities for active fire protection equipment suppliers as more active fire protection equipment will be needed.

Future supply of high-rise residential, high-rise commercial and industrial units

	High-rise Residential ⁽¹⁾ (units)			High-rise Commercial ⁽²⁾ (units)			Industrial (units)		
	Incoming	Planned	Future ⁽³⁾	Incoming	Planned	Future ⁽³⁾	Incoming	Planned	Future ⁽³⁾
2016	307,996	228,652	536,648	172,152	116,266	288,418	6,901	7,514	14,415
2017	201,870	195,739	397,609	175,411	152,998	328,409	5,675	7,513	13,188
2018	199,231	194,235	393,466	113,418	209,919	323,337	4,917	7,057	11,974
2019	199,451	190,708	390,159	147,405	198,724	346,129	4,343	7,169	11,512
2020	192,066	183,101	375,167	164,871	182,242	347,113	4,354	6,828	11,182
CAGR(2016-20)	-11.1%	-5.4%	-8.6%	-1.1%	11.9%	4.7%	-10.9%	-2.4%	-6.2%
CAGR(2018-20)	-1.8%	-2.9%	-2.4%	20.6%	-6.8%	3.6%	-5.9%	-1.6%	-3.4%
CAGR(2017-19)	-0.6%	-1.3%	-0.9%	-8.3%	14.0%	2.7%	-12.5%	-2.3%	-6.6%
Q1 21	191,075	183,275	374,350	178,895	180,263	359,158	4,411	6,671	11,082
Q2 21	183,827	189,401	373,228	188,165	177,744	365,909	4,388	6,731	11,119

(1) High-rise residential units comprise low-cost flats, flats, condominiums and apartments. (2) High-rise commercial units comprise serviced apartments, small office home office (SOHO) and purpose-built offices; (3) Future supply = incoming supply + planned supply. (Source: National Property Information Centre, NAPIC)

- As at the end of Q2 2021, the future supply of high-rise residential properties, high-rise commercial properties and industrial properties recorded -5.1%, 2.0% and -1.3% respectively compared to Q2 2020. On a quarter-to-quarter basis, the future supply of high-rise residential properties, high-rise commercial properties and industrial premises recorded -0.3%, 1.9% and 0.3% respectively compared to Q1 2021.

6. COMPETITIVE LANDSCAPE

- As of 4 October 2021, it was estimated that there were 241 members registered with the Malaysian Fire Protection Association (MFPA), of which 142 members were involved in the active fire protection sector, 24 members were involved in the passive fire protection sector and 75 members were involved in other activities. Not all fire protection operators are registered with MFPA.
- Below is a list of manufacturers and/or assemblers of active fire protection equipment and/or systems sorted in descending order of group/company revenue. This list is used to provide an indication and is not exhaustive.

Name	FYE ⁽¹⁾	Grp/Co. Rev ⁽²⁾ (RM mil)	Seg Rev (RM mil)	Grp/Co. GP ⁽²⁾ (RM mil)	Grp/Co. GP Margin ⁽²⁾	Grp/Co. NP ⁽²⁾ (RM mil)	Grp/Co. NP Margin ⁽²⁾
FITTERS Diversified Bhd ⁽³⁾	Dec-20	215.7	98.1	12.6	5.8%	-16.2	-7.5%
Steel Recon Industries S/B ⁽⁴⁾	Dec-20	116.8	-	36.1	30.9%	13.8	11.8%
Eversafe Extinguisher S/B	Mar-20	65.3	-	23.8	36.5%	1.2	1.8%
Unique Fire Group	Mar-21	63.4	-	16.7	26.3%	5.3	8.4%
VIC Engineering S/B ⁽⁵⁾	Dec-20	26.6	-	10.4	39.2%	4.4	16.5%
Fire Fighter Group ⁽⁶⁾	Dec-20	24.8	-	12.4	50.0%	4.0	16.3%

FYE = financial year ended; Grp = Group; Co. = Company; Rev = revenue; mil = million; Seg = Segment; GP = gross profit; NP = net profit after tax; Bhd = Berhad; S/B = Sdn Bhd.

(1) Latest available audited financial information from annual reports or Companies Commission of Malaysia and Unique Fire Group.

(2) For total group or company which may include other business activities and products.

(3) Listed on Bursa Securities. Segment revenue is for fire services division comprising sales of fire materials and equipment, rendering of services and construction contract services. Group revenue

7. INDUSTRY OVERVIEW (Cont'd)



also includes property development and construction, renewable and waste-to-energy and green palm oil mill, and pipe manufacturing.

(4) *Also involved in design, installation, training and technical support.*

(5) *Also involved in the installation of fire equipment and related engineering works.*

(6) *Aggregated revenue, gross profit and net profit is inclusive of Fire Fighter Industry Sdn Bhd (Rev: RM21.4 million, GP: RM11.7 million, NP: RM3.8 million) and Fire Fighter Manufacturers Sdn Bhd (Rev: RM3.4 million GP: RM0.7 million, NP: RM0.2 million). It is also involved in the business of contract work and providing after sale services.*

- The methodology used to compile the information on the companies listed above was based on secondary market research, such as company websites, industry directories and Bursa Securities. The criteria for the selection of competitors are based on the following:
 - The group or company must be involved in the manufacture and/or assembly active fire protection equipment and/or systems, with operational facilities in Malaysia;
 - Group or company revenue must be RM10 million and above; and
 - Availability of latest financial statements.

7. MARKET SIZE AND SHARE

- There are no statistics on the market size of active fire equipment industry in Malaysia, and as such, it is not possible to determine the market size and share of Unique Fire Group.

8. INDUSTRY CONSIDERATION FACTORS

- The factors of demand for active fire protection equipment are contributed by the general well-being of the economy, performance of the construction and property development industries and the regulatory framework in Malaysia. In Q2 2021, on a quarter-to-quarter seasonally adjusted basis, real GDP of Malaysia's economy and the construction sector recorded -2.0% and -3.2% respectively compared to Q1 2021 (*Source: BNM*). On a quarter-to-quarter basis, as at the end of Q2 2021, the future supply of high-rise residential, high-rise commercial and industrial units recorded -0.3%, 1.9% and 0.3% respectively compared to Q1 2021.
- Any regulatory changes that increase the existing requirement for fire protection equipment, such as the requirement for more types of residential homes or motor vehicles to have fire extinguishers, will facilitate the demand for active fire protection industry. Furthermore, the requirement that portable fire extinguishers have to be scrapped 10 years after the manufacturing date would also facilitate the replacement market for hand portable fire extinguishers. For further details on the regulatory requirements, please refer to Section 3 of this Industry Overview.
- The performance of the active fire protection industry is dependent upon, among others, the recovery of Malaysia's economy as well as the global economies from the COVID-19 pandemic. In addition to the eight economic stimulus packages provided by the Malaysian government which amounted to RM530 billion, a further RM332.1 billion has been allocated to drive the recovery of the economy as indicated in the Budget 2022. Any resurgence of COVID-19 cases and reimposition of containment measures will weigh on the growth of the economy. Overall, the economy in Malaysia is estimated to grow within the range of 3.0% to 4.0% in 2021 with a forecasted real GDP growth between 5.5% and 6.5% in 2022 (*Source: MoF*).
- Other considerations which will drive demand include growing public awareness of fire safety, recovery in the construction industry as well as the implementation of stringent regulations for fire protection in buildings. Although the real GDP of the construction industry is estimated to decline by 0.8% in 2021, it is expected that the construction industry will recover in 2022 with a forecasted real GDP growth of 11.5%. (*Source: MoF*).

8. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY OCCUR EITHER INDIVIDUALLY OR IN COMBINATION, AT THE SAME TIME OR AROUND THE SAME TIME) THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE. YOU SHOULD CAREFULLY CONSIDER THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW ALONG WITH OTHER INFORMATION CONTAINED IN THIS PROSPECTUS BEFORE YOU MAKE YOUR INVESTMENT DECISION. IF YOU ARE IN ANY DOUBT AS TO THE INFORMATION CONTAINED IN THIS SECTION, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

8.1 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF OUR GROUP

8.1.1 We are dependent on the building construction and property development industries

We are dependent on the building construction and property development industries as active fire protection systems, equipment and accessories are mainly for installation in built environment including buildings, amenities, facilities and infrastructure. This is because our main customers, namely M&E and FPS contractors and FPS maintenance service providers, operate in the building construction and property development industries, where they are involved in new building construction, and renovations or remodelling. Our revenue from M&E and FPS contractors and FPS maintenance service providers collectively accounted for 93.60%, 93.20% and 93.60% of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

From this perspective, the demand for our fire protection products would be adversely affected if there is a slowdown in the building construction and property development industries caused by, among others, containment measures from the COVID-19 pandemic, a slowdown in construction of new properties due to oversupply, a slowdown in property renovations, refurbishments and extensions, decline in the availability of loans to finance construction activities, decline in public or private sector construction projects, and other factors that may adversely affect building construction and property development activities.

The real GDP of the construction industry contracted by 10.4% in the first quarter (Q1) of 2021 before expanding by 40.3% in the second quarter (Q2) of 2021 supported by an improvement in specialised construction activities, non-residential buildings and residential buildings subsectors. On a seasonally adjusted, quarter-to-quarter basis, the construction industry declined by 3.2% in Q2 2021 compared to Q1 2021, as only essential construction projects were allowed to operate at a reduced capacity during Phase 1 of the NRP. The real GDP of the construction industry is estimated to decline by 0.8% in 2021 before recovering with a forecasted real GDP growth of 11.5% in 2022 (Source: *Industry Overview*). Nevertheless, there is a risk that any slowdown in the construction industry may negatively impact on the demand for our products and our financial performance may be adversely affected.

8.1.2 Our business operations and financial performance may be adversely affected if the COVID-19 pandemic is prolonged or occurrence of similar epidemic or pandemic in the future

Our business and financial performance were affected by the economic and other disruptions related to COVID-19 in Malaysia. Measures implemented to control the spread of COVID-19 caused some disruptions to our Operational Facility in Shah Alam, Selangor as summarised in the following table:

Period	Operational Status
18 March 2020 to 3 May 2020	Temporary shut down during MCO 1.0
4 May 2020 to 31 May 2021	Operating at normal workforce capacity

8. RISK FACTORS (Cont'd)

Period	Operational Status
1 June 2021 to 2 July 2021	Operating at 60% workforce capacity during NRP Phase 1
3 July 2021 to 16 July 2021	Temporary shut down due to EMCO in Selangor
17 July 2021 to 22 August 2021	Operating at 60% workforce capacity during NRP Phase 1
23 August 2021 to 9 September 2021	Operating at normal workforce capacity after the revision of SOP
10 September 2021 to 30 September 2021	Operating at normal workforce capacity during NRP Phase 2
1 October 2021 up to 16 October 2021	Operating at normal workforce capacity during NRP Phase 3
17 October 2021 up to 24 December 2021	Operating at normal workforce capacity during NRP Phase 4

We were able to carry out our business operations, apart from the periods and restrictions described above, with compliance to relevant SOP and guidelines. Any deterioration in the COVID-19 pandemic in Malaysia, such as increases in new daily COVID-19 infections and/or the emergence of more infectious and/or virulent COVID-19 variants, could result in the tightening of economic and social constraints and other restrictions, which could include, among others, suspension or reduced workforce capacity for our operations, interruption in the supply chain, restrictions in sales and marketing activities, reduction in purchase orders from customers, and delays in delivery of orders. This could adversely affect our business operations and financial performance.

While we have implemented and enforced the relevant SOP and guidelines at our Operational Facility in Shah Alam, Selangor to reduce the risk of COVID-19 between our employees at the workplace, there can be no assurance that there will be no positive diagnosis for COVID-19 among our employees. There is a risk that the Ministry of Health Malaysia or other authorities may require us to temporarily shut down our Operational Facility in Shah Alam, Selangor if our employees receive positive diagnoses for COVID-19. The affected employee, other employees who have close contact with them and employees who exhibit symptoms consistent with COVID-19 will be required to be quarantined and may be unable to perform their work duties. As at 29 December 2021, a total of 12 of our employees had positive diagnosis for COVID-19, all of whom have since recovered and returned to work.

The COVID-19 pandemic may also result in delays in implementing our business strategies and plans in accordance with the expected timeline as set out in Section 6.18 of this Prospectus. Such delays may adversely affect the development of our business and future financial performance.

For further information on the financial impact and effects of the COVID-19 pandemic on our business operations, please refer to Section 11.3 in this Prospectus on the Management's Discussion and Analysis and Section 6.17 in this Prospectus on material interruptions to our business.

8.1.3 We could lose or fail to renew our distributorship agreements if we are unable to fulfil the agreed sales target and/or other obligations

For the Financial Years Under Review, we have distributorship agreements for products used in our assembly and distribution business segments. These include distributorship agreements with the following suppliers:

- Orient Fire Pte Ltd for the supply of products used to assemble fire suppression systems and marketed and/or distributed under our Unique227 and Unique5112 brands;
- Kidde-Fenwal Inc. for the supply of products used to assemble HFC and FK5112 fire suppression systems that are distributed under Kidde brands, as well as the supply of wet chemical fire suppression systems that are distributed under Range Guard brand;

8. RISK FACTORS (Cont'd)

- Tyco Fire & Building Products Asia Pte Ltd for the distribution of wet chemical fire suppression systems under the Ansul brand (we did not record any sales of Ansul brand of wet chemical fire suppression systems for the Financial Years Under Review. Sales of Ansul brand of wet chemical fire suppression system was made subsequent to the FYE 2021);
- Honeywell International Sdn Bhd and Demco Industries Sdn Bhd for the distribution of fire detection and alarm devices for brands including System Sensor and Demco respectively;
- ZYfire Hose Corporation for the distribution of ZYfire hoses; and
- Chang Der Fire Protection Corporation and Viking Corporation (Far East) Pte Ltd for the distribution of sprinkler systems under CD and Viking brands, respectively.

Our distributorship agreements are subject to renewal from time to time. There is a risk that we may not be able to renew them if we are unable to fulfil our obligations under the respective distributorship agreements, such as achieving sales targets (where relevant) and abiding by the agreed payment terms. There is also a risk that our distributorship agreements may not be renewed even if we meet our obligations as renewal is under the discretion of the respective supplier. In addition, a supplier may decide to terminate our distributorship agreement before it is due for renewal.

During the Financial Years Under Review, revenue related to our distributorship agreements amounted to RM19.95 million (25.02%), RM20.76 million (27.25%) and RM17.17 million (27.06%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively. Our purchases from suppliers with whom we have distributorship agreements amounted to RM12.96 million (25.52%), RM16.97 million (32.85%) and RM8.29 million (19.88%) of our total purchases of input materials and services for the FYE 2019, FYE 2020 and FYE 2021, respectively.

If a distributorship agreement is not renewed or terminated for any reason, we may need to source products from other suppliers to supply to our customers. Although we have renewed our distributorship agreements as at the LPD, there can be no assurance that we would be able to retain our distributorship agreements in the future.

8.1.4 We mainly adopt an indirect distribution channel strategy where we are dependent on intermediaries to buy our products for installation, maintenance or resale

We are dependent on indirect distribution channels where we supply our fire protection systems, equipment and accessories to intermediaries, including M&E contractors, FPS contractors and FPS maintenance service providers, and wholesalers and retailers. For the FYE 2019, FYE 2020 and FYE 2021, indirect distribution channels accounted for 93.88%, 93.68% and 94.15% of our total revenue, respectively. The purchases of fire protection systems, equipment and accessories made by M&E contractors and FPS contractors are mainly based on the specifications of M&E consultants, who are normally engaged by property or asset owners, property developers or main contractors to design the building's fire protection system (as part of its M&E system), which includes specifying the types and/or brands of fire protection systems, equipment and accessories to use. Ultimately, the final decision makers for fire protection system, equipment and accessories are the property or asset owners, or property developers. M&E consultants may also take into consideration the preferences and requirements of property or asset owners, property developers or main contractors in specifying fire protection systems, equipment and accessories. We do not supply our fire protection systems, equipment and accessories directly to M&E consultants, property or asset owners, property developers or main contractors. FPS maintenance service providers are usually engaged by building owners and property developers to maintain their fire protection systems, while retailers and wholesalers purchase our products to resell to their own customers.

8. RISK FACTORS (Cont'd)

As the revenue for our fire protection systems, equipment and accessories are mainly derived from intermediaries, our financial performance will be dependent on the demand from this group of customers. If the business performance of our intermediaries is adversely affected due to factors including, among others, termination, delay or suspension of their projects, and business interruptions due to COVID-19 containment measures or other events, our financial performance would also be adversely affected. There is no assurance that our business performance would not be adversely affected by our reliance on intermediaries in the future.

8.1.5 We are exposed to fluctuations in the market price of steel

Steel is a globally traded commodity whose market price is subject to fluctuations, and we are exposed to these fluctuations through our purchases of empty cylinders (which are made of steel), as well as steel coils and plates. We purchase empty cylinders and steel coils and plates for our assembly and manufacturing operations. Empty cylinders and steel coils and plates collectively accounted for 27.49%, 24.12% and 29.49% of our purchases of input materials and services for the FYE 2019, FYE 2020 and FYE 2021, respectively. In addition, we purchase other fire protection systems, equipment and accessories that are made of steel, such as parts for wet and dry riser systems, and hydrants, sprinkler systems, fire hose reels and cabinets. Fluctuations in steel prices may affect our purchase prices for input materials used in our assembly and manufacturing operations as well as goods for our distribution operations.

Steel is a commodity whose price is affected by, among others, global economic performance, demand, production capacity and supply. Between 2017 and 2019, global steel prices ranged between US\$418/tonne and US\$637/tonne, with an average price of US\$538/tonne. In 2020, global steel prices dipped to their lowest since 2017 at US\$385/tonne on 11 May 2020. Since then, global steel prices have been increasing and reached an all-time high of US\$1,100/tonne on 24 May 2021, before subsequently falling to US\$890/tonne on 25 October 2021. (*Source: Industry Overview*). Fluctuations in the market price of steel may have an adverse effect on our business operations and/or financial performance.

An increase in the market price of steel may increase the purchase prices of empty cylinders, steel coils and plates, and other fire protection systems, equipment and accessories that are made of steel, which could consequently increase the costs of the fire protection systems, equipment and accessories that we assemble, distribute and manufacture. We currently adopt a monthly pricing strategy whereby we review the prices of our fire protection systems, equipment and accessories every month to take into account, among others, the effects of changes in the price of steel and foreign exchange rates, and we adjust our prices accordingly from time to time, when required. We have been able to pass on some increases in costs to our customers in the past. Nevertheless, there is no assurance that we can pass on any of the increases in costs resulting from changes in the price of steel and foreign exchange rates to our customers. If we are unable to pass on the increases in costs to our customers, this would adversely affect our margins and financial performance.

8.1.6 We are dependent on our Executive Directors and key management team

We are dependent on the experience, expertise, technical knowledge and contributions of our Managing Director, Liew Sen Hoi and Executive Directors namely Marcus Liew and Ryan Liew, as well as our key senior management namely Roy Liew, Ray Liew, Cheow Zi Ying, Tan Hoay Ling and Mohamad Azmir Bin Ramli. Their years of experience is summarised in the following table:

Person	Years of Experience
Liew Sen Hoi	Approximately 50 years in the fire protection industry
Marcus Liew	Approximately 16 years in the fire protection industry
Ryan Liew	Approximately 14 years in the fire protection industry

8. RISK FACTORS (Cont'd)

Person	Years of Experience
Roy Liew	Approximately 14 years in the fire protection industry
Ray Liew	Approximately 10 years in the fire protection industry
Cheow Zi Ying	Approximately 17 years in accounting related functions
Tan Hoay Ling	Approximately 16 years related to inventory and production planning
Mohamad Azmir Bin Ramli	Approximately 26 years related to quality control and product certifications

Our day-to-day business operations and the successful implementation of our business strategy may be adversely affected if we lose the services of one or more of the Directors or key senior management team and are unable to find a suitable and timely replacement. For further information on the profiles of our Directors and key senior management team, please refer to Sections 5.1.2 and 5.2.8 of this Prospectus.

8.1.7 We rely on external manufacturers and/or suppliers for our brands of assembled and distribution products

We rely on external manufacturers and/or suppliers for our brands of assembled and distribution products. During the Financial Years Under Review, we had approximately 90, 80 and 90 external manufacturers and/or suppliers for our brands of assembled and distribution products for the FYE 2019, FYE 2020 and FYE 2021, respectively. As at the LPD, we assemble CO₂ and HFC fire suppression systems, fire extinguishers, fire hose reel and fire hoses where the parts and components are purchased from external manufacturers. As at the LPD, we distribute wet and dry riser system, and hydrant as well as fire protection accessories where the finished products are manufactured by external parties. These products are sold under our brands including Unique, Unique227, Yama and Commander during the Financial Years Under Review. Revenue contribution from our brands of assembled and distribution products amounted to RM48.90 million (61.35%), RM48.41 million (63.53%) and RM39.88 million (62.84%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

From this perspective, we face risks that third party materials and finished products that are purchased from external parties may have manufacturing defects, which may compromise the overall quality of our brands of fire protection systems and equipment. This may in turn affect our market reputation, result in customers making product warranty or liability claims against us, and/or authorities requiring us to recall our products, which may negatively affect our business operations and financial performance.

While we carry out quality checks on the products that we purchase from external parties based on sampling, as well as carry out in-process and final QC checks on the products that we assemble and manufacture, there is no assurance that third party products may not affect the quality of our brands of products.

8.1.8 Our customers may make product warranty claims against us

Our customers may make product warranty claims against us concerning the supply of fire protection systems, equipment and accessories.

We provide the following product warranty against manufacturing defects for products that we assemble, distribute or manufacture under our brands:

- typically, we provide a one (1)-year warranty which commences from the date of delivery of our products;
- two (2)-year warranty for infrastructure projects which commences from date of certification of line completion; and

8. RISK FACTORS (Cont'd)

- five (5)-year warranty for Unique227 fire suppression systems that are sold to customers for installation in TNB facilities. The five (5)-year warranty period which commences from the date of installation of the system and after each maintenance date, is a requirement of TNB for our Unique227 fire suppression systems.

Product warranty for the third party brands that we assemble and distribute ranges from one (1) to three (3) years depending on the products and these are provided by the respective brand owners.

If a customer makes a warranty claim against us for the products we assemble, distribute or manufacture under our brand name, there is a risk that we will incur additional costs of replacing the product or making good the defects, which may adversely affect our financial performance. We do not have back-to-back product warranty arrangements with the suppliers of finished products sold under our brands, or with external manufacturers of finished goods that we sell under our brands. One exception is our assembled Unique brand of HFC-227ea fire suppression system, which we are able to claim against Orient.

During the Financial Years Under Review, customers have made claims against our brand of products for manufacturing defects amounting to RM8,995, RM17,824 and RM17,664 for FYE 2019, FYE 2020 and FYE 2021, respectively. The value of these claims was equivalent to 0.02%, 0.03% and 0.03% of our revenue from our brand of manufactured, assembled and distributed products for FYE 2019, FYE 2020 and FYE 2021, respectively, and are not regarded as material to our Group.

As for fire suppression systems for installation in TNB facilities, this is similar to the five (5)-year warranty as required by TNB. During the Financial Years Under Review, customers have made claims against third party brands of products for manufacturing defects amounting to RM33,017, RM21,303 and RM51,779 for FYE 2019, FYE 2020 and FYE 2021, respectively. The value of these claims was equivalent to 0.18%, 0.14% and 0.46% of our revenue from third party brands of assembled and distributed products for FYE 2019, FYE 2020 and FYE 2021, respectively, and are not regarded as material to our Group. Upon receiving product warranty claims from customers against third party brands, we will normally make a corresponding warranty claim with the respective brand owner. In most cases, the brand owner would honour the warranty claim unless the warranty period granted has lapsed. There is no assurance that any future warranty claims against us would not adversely affect our financial performance.

8.1.9 We are subject to the risk of product liability

We may be exposed to risks of product liability when we are the brand owner of the products that we sell to our customers. Exposure to product liability generally stems from, among others, defective design, manufacturing defects, faulty products, inaccurate or inadequate warnings and instructions, and mislabelled products. Claims for product liability could arise from damages to properties and lives caused by, among others, incorrect formulation or labelling of extinguishing agents, explosions involving faulty cylinders or faulty sensors, valves and other parts and components.

Any product liability claims or legal actions against us as the brand owner may result in negative publicity which may damage our reputation and brand equity as well as affect our business operations and financial performance. We may also be subjected to, among others, product recall or temporary suspension of sales which would affect our financial performance.

8. RISK FACTORS (Cont'd)

As at the LPD, we have general liability insurance to provide coverage against product liability claims for the fire protection systems, equipment and accessories that we supply. Our general liability insurance provides coverage in respect of all sums which we shall become legally liable to pay in respect of personal injury and property damage of up to RM8.5 million (for any one occurrence and aggregated for the policy period), and product liability coverage of up to RM2.00 million for (for any one occurrence and aggregated for the policy period).

During the Financial Years Under Review and up the LPD, we have not received any claims for damages on product liability or other grounds from our customers which had a material effect on our business operation or financial performance. However, there is no assurance that we will not receive any such claims or legal actions in the future. There can also be no assurance that our general liability insurance coverage will be sufficient to provide coverage against any claims of product liability in the future.

8.1.10 We are subject to the risk of non-renewal or revocation of permits and/or regulatory licences

We require approvals, major licences and permits from the relevant authorities to carry out our business operations. Details of the approvals, major licences and permits obtained by our Group are set out in Section 6.19 of this Prospectus. For example, we are required to obtain approval certificates from Bomba for certain products as prescribed by Bomba from time to time pursuant to the Fire Services Act 1988. Generally, these approval certificates issued by Bomba are valid for one (1) year and are renewable upon expiry.

In addition, pursuant to the conditions of UFI's manufacturing licence set out in Section 6.19, UFI is required to employ at least 80% Malaysians for its full-time workforce by 2020. As at the LPD, our subsidiary UFI's total workforce consists of 131 employees, of which 90 are Malaysians and 41 are foreign workers from Bangladesh, Myanmar and Nepal. UFI's foreign workers are involved mainly in our manufacturing operations which involve manual labour. As at the LPD, UFI has achieved 69% Malaysian workforce. Given the on-going COVID-19 pandemic, we were unable to achieve this workforce requirement. UFI had on 15 September 2021 submitted an application to MIDA for an extension of time up to 31 December 2022 to comply with this requirement, and as at 22 February 2022 the approval from MIDA has been obtained.

Based on our Group's experience, we have found it difficult to recruit and retain local employees to fill in positions which involve manual labour. However, UFI will continue its efforts such as offering competitive remuneration packages, providing staff accommodation for outstation local employees, continuing with recruitment efforts (such as putting out job advertisements, appointing recruiters, referrals etc), providing training to unexperienced local employees as well as improving on machine automation going forward to reduce reliance on foreign workers.

We expect to be able to increase our Malaysian workforce to meet this local workforce requirement in tandem with our business strategies and plans, in particular with the expected staff increase from our plans to establish new sales offices and warehouses in Johor and Penang. Please see Section 6.18 for further details of our business strategies and plans. Nonetheless, if UFI is unable to meet the local workforce requirement within the prescribed timeframe, UFI's manufacturing licence may be revoked pursuant to the section 6 of the ICA 1975. In such event, UFI will need to cease its assembly and manufacturing activities and our Group's operations and financial performance will be materially and adversely affected. Upon revocation, any person who engages in manufacturing activity without a licence is guilty of an offence under the ICA 1975 and is liable on conviction to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding six (6) months and to a further fine not exceeding RM1,000 for every day during which such default continues.

8. RISK FACTORS (Cont'd)

If UFI's manufacturing licence is revoked (as described above) and we have to cease our assembly and manufacturing activities, our revenue would be materially and adversely affected as we would only be able to sell those fire protection systems and equipment that we had already completed and are in our inventory. Consequently, we may not be able to complete some of the orders that we have on-hand at that time, unless and until we are able to source fire protection systems and equipment from other suppliers that are acceptable to the affected customers, and there can be no assurance that we will be able to source these equipment and systems from other suppliers. In addition, we may not be able to accept new orders for the fire protection systems and equipment that we assemble and manufacture. During the Financial Years Under Review, assembly of fire protection systems and equipment was the largest revenue contributor which accounted for RM37.00 million (46.42%), RM35.77 million (46.94%) and RM30.72 million (48.42%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively. Manufacturing of fire protection equipment accounted for RM10.96 million (13.75%), RM11.39 million (14.95%) and RM11.14 million (17.55%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

There is a risk that we would not be able to realise our revenue from the assembly and manufacture of fire protections systems and equipment if we have to cease these business activities.

In the event that we do not obtain the required approvals, major licences and permits and/or such approvals, major licences and permits are not renewed or are revoked, we will not be able to carry on our business operations and this would adversely impact our business and financial performance.

8.1.11 Our business may be disrupted if we do not have adequate input materials and goods for distribution

Our business requires that we maintain adequate inventory of input materials and goods for distribution to avoid instances of under-stocking goods. We have to procure and maintain adequate quantities of input materials and goods for distribution to avoid under-stocking particular products, which can result in a delay in our assembly or manufacturing operations, as well as disruption to our distribution operations resulting in delays or inability to fulfil our customers' orders promptly.

Furthermore, there is a risk that disruptions in the importation of goods into Malaysia or disruption in supplies from overseas may disrupt our business operations as a large proportion of the input materials and goods for distribution that we purchase are from suppliers in other countries. Purchases of input materials and goods for distribution from suppliers in foreign countries accounted for RM38.23 million (75.25%), RM39.17 million (75.85%) and RM31.14 million (74.72%) of our purchases of input materials, goods for distribution and services for the FYE 2019, FYE 2020 and FYE 2021, respectively. In the event of a disruption in supply, we may not be able to purchase from alternative suppliers for some of the input materials and goods for distribution, particularly those that are purchased from brand owners and suppliers. In such an event, our assembly, distribution and manufacturing operations may be disrupted if our stock of the affected input materials or goods for distribution are exhausted. During the Financial Years Under Review and as at the LPD, we have not faced any disruptions in purchasing input materials and goods for distribution from suppliers in foreign countries. Nevertheless, there can be no assurance that we will not face supply disruptions in the future.

For the FYE 2021, the value of our inventories (which includes input materials and goods for distribution) was RM21.08 million and our average inventories turnover period for the FYE 2021 was 161 days. We maintain this level of inventory to ensure that we have adequate input materials and goods for distribution on-hand to avoid disruptions to our assembly, distribution and manufacturing businesses, and to ensure that we can fulfil customers' orders on-time. Our inventory planning policy for input materials for assembly and manufacturing and goods for distribution that are sourced from suppliers in Malaysia is to establish minimum and maximum stock levels that are sufficient to sustain two (2) to three (3) months of operations. Our supply chain manager will review stock levels on a weekly basis to identify items for replenishment and

8. RISK FACTORS (Cont'd)

place orders accordingly. For input materials and goods for distribution sourced from suppliers in other countries, we establish minimum and maximum stock levels and our supply chain manager will prepare monthly purchase suggestions to be approved by our Managing Director. We place orders with suppliers in other countries three (3) to five (5) months in advance to mitigate against potential disruptions.

However, there can be no assurance that we will not experience shortages of input materials and goods for distribution in the future not face incidents of under-stocking goods in the future which may adversely affect our financial performance.

8.1.12 Our growth prospects may be limited if we are unable to implement or face delays in implementing our business strategies and plans

Our business strategies and plans involve enhancing our manufacturing facilities by installing new hand portable dry chemical fire extinguisher manufacturing lines and developing new dry chemical fire extinguisher designs that comply with MS and BS, enhancing our operational capabilities by increasing storage capacity and implementing WMS, and implementing digital fire extinguisher identification data system and enhancing our IT system, expanding our geographical coverage by establishing new sales offices and warehouses in Johor and Penang, and enhancing advertising and marketing activities, and installing a rooftop solar photovoltaic system at our Operational Facility in Shah Alam, Selangor. For further information on our business strategies and plans, please refer to Section 6.18 of this Prospectus.

There is a risk that our plans may be delayed due to COVID-19 pandemic or we may fail to successfully implement our business strategy and plans due to, among others, failure to comply with certain standards, failure to secure customers for the new products, adverse market conditions and/or limited experience or expertise. Any delays or failure to successfully implement our business strategies and plans may adversely affect our expected financial performance and growth prospects.

8.1.13 We are exposed to foreign currency exchange rate fluctuations

During the Financial Years Under Review most of our revenue was denominated in RM, while our purchases of input materials and services were denominated in foreign currencies. The breakdown of our revenue and purchases which was transacted in RM and foreign currencies during the Financial Years Under Review are summarised in the following tables:

	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	'000	%	'000	%	'000	%
RM	78,702	98.75	75,423	98.99	62,619	98.70
USD	997	1.25	771	1.01	825	1.30
Total revenue	79,699	100.00	76,194	100.00	63,444	100.00
RM	12,575	24.75	12,470	24.15	10,537	25.28
USD	38,215	75.22	39,157	75.83	31,126	74.68
SGD	15	0.03	13	0.02	19	0.04
Total purchases	50,805	100.00	51,640	100.00	41,682	100.00

Please refer to Section 11.3 on the Management's Discussion and Analysis for additional information.

8. RISK FACTORS (Cont'd)

We are exposed to foreign currency exchange gains or losses arising from timing differences between invoices received and payments to suppliers that are denominated in foreign currencies and translated into RM. Fluctuations in foreign currency exchange rates between the RM and the foreign currencies, namely USD, may have a material effect on our reported income and expenses, as they are stated in RM in our combined financial statements. For further information on our realised and unrealised gains and losses on foreign exchange during the Financial Years Under Review, please refer to Section 11.3 on the Management's Discussion and Analysis.

An unfavourable foreign exchange rate will also increase the costs of purchasing materials that are denominated in the affected foreign currencies. Although we started to adopt a quarterly pricing strategy from June 2021 whereby we review the prices of our fire protection systems, equipment and accessories every quarter to take into account, among others, the effects of changes in the cost of our materials and foreign exchange rates, there is no assurance that our financial performance would not be affected by any unfavourable exchange rate fluctuations again the RM.

While foreign exchange rate fluctuations have not had a material effect on our financial performance during the Financial Years Under Review, there can be no assurance that our financial performance will not be affected by any adverse foreign exchange rate fluctuations in the future.

8.2 RISKS RELATING TO OUR INDUSTRY

8.2.1 We face competition in our industry

We face competition from other operators involved in supplying fire protection systems. As of 4 October 2021, there were an estimated 241 members registered with the Malaysian Fire Protection Association (MFPA), of which 142 were involved in active fire protection sector, 24 were involved in passive fire protection sector and 75 were involved in other activities. Not all fire protection operators are registered with MFPA (*Source: Industry Overview*). In addition, we may face competition from new operators who enter the industry from time to time.

In general, the barriers to entry faced by new operators of the active fire protection industry in Malaysia depends on the industry segment.

There are substantial barriers to entry for new assemblers and manufacturers of active fire protection equipment and systems, mainly due to the following factors:

- set-up and investment in assembly or manufacturing facilities as well as machinery and equipment;
- having the technical knowledge, skills and experience to carry out assembly or manufacturing;
- carrying out assembly or manufacturing requires skilled and general workforce;
- specified products or systems will need to be certified by Bomba before they can be stationed or installed in any premises;
- as part of the Bomba certification process, where applicable, the product or system has to be certified by testing laboratories that are recognised by Bomba such as, among others, SIRIM Berhad, Underwriters Laboratories LLC, FM Approvals LLC or testing laboratories recognised by the Department of Standards Malaysia; and
- new operators have to bear up-front costs of product development, prototyping, testing and product certification.

8. RISK FACTORS (Cont'd)

Barriers to entry for new distributors of active fire protection equipment are low as they can source products or systems that already have the relevant product certifications obtained by the respective manufacturer or supplier. However, for new types of products or systems that have not obtained Bomba certification yet, there will be a requirement for the new distributor to obtain Bomba certification on behalf of the manufacturer or supplier.

Our current and prospective customers have the option of procuring fire protection systems, equipment and accessories from one or more of our competitors. The competition that we face may result in, among others, reduction in the prices of our products and thus affecting our profit margins, increase in our marketing activities and thus expenses, and/or loss of business due to competitors' offerings, which may adversely affect our business operations and financial performance.

We have our strengths and advantages to maintain our competitive position, including, among others, our established track record, our brands of fire protection systems, equipment and accessories, our assembled and manufactured fire protection systems and equipment, our range of fire protection systems, equipment and accessories to meet the diverse needs of our customers and experienced Directors and key management team to grow our business. Nevertheless, there can be no assurance that we will continue to compete effectively in our industry and failure to do so may adversely affect our growth prospects and financial performance.

8.2.2 We are subject to economic, social, political, regulatory and pandemic risks

Economic, social, political and regulatory developments in Malaysia could have a materially adverse effect on our business operations and financial performance. These include, but are not limited to, occurrence of war, civil unrest, rebellion or civil disobedience, changes in political leadership or system of government, changes in economic, interest rate, taxation, trade, corporate ownership or investment policies, nationalisation or expropriation, global, regional or domestic economic recession or slowdown, changes in the regulations that govern the fire protection industry, and prolonged COVID-19 pandemic or emergence of new epidemics or pandemics in Malaysia. These events are beyond our control, and the occurrence of one or more of these events may harm our business operations and financial performance.

8.3 RISKS RELATING TO INVESTING IN OUR SHARES

8.3.1 There has been no prior market for our Shares

Prior to the IPO, there has been no public market for our Shares. Hence, there is no assurance that upon Listing, an active market for our Shares will develop, or, if developed, that such market can be sustained. There is also no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell our Shares or the prices at which holders would be able to sell our Shares.

The IPO Price was determined after taking into consideration various factors including but not limited to our business strategies and our financial and operating history. There can be no assurance that the IPO Price will correspond to the price at which our Shares will trade on the ACE Market upon our Listing and the market price of our Shares will not decline below the IPO Price.

8. RISK FACTORS (Cont'd)

8.3.2 Our Share price and trading volume may be volatile

The performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiment is also largely driven by internal factors such as 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 listed Shares.

In addition, the market price of our Shares may be highly volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- (i) variations in our results and operations;
- (ii) success or failure in our management team in implementing business and growth strategies;
- (iii) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (iv) changes in conditions affecting the industry, the prevailing local and global economic conditions or stock market sentiments or other events or factors;
- (v) natural disasters, health epidemics and outbreaks of contagious diseases;
- (vi) additions or departures of key senior management;
- (vii) fluctuations in stock market prices and volumes; or
- (viii) involvement in litigation.

8.3.3 Our Promoters will be able to exert significant influence over our Company as they will continue to hold majority of our Shares after the IPO

As disclosed in Section 5.1 of this Prospectus, our Promoters will collectively hold in aggregate 71.56% of our enlarged issued 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 having voting control over our Group 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 either by law and/or by the relevant guidelines or regulations. For instance, due to the Promoters' collective shareholding, unless the Promoters are required to abstain from voting either by law and/or by the relevant guidelines or regulations, where the Promoters vote in favour for ordinary resolutions which require a simple majority approval, their voting in favour will result in the ordinary resolutions being passed, or in the instance of special resolutions which require at least a majority of 75% shareholders' approval, if they vote in favour they will be able to influence the passing and approval of these resolutions at a general meeting. Conversely, if the Promoters vote against such resolutions, such resolutions would not be able to be passed.

8.3.4 There may be a potential delay to or cancellation of our Listing

The occurrence of any one or more of the following events, which is not exhaustive, may cause a delay in or cancellation of our Listing:

- (i) the MITI approved Bumiputera investors fail to acquire the Shares allocated to them under the Public Issue;

8. RISK FACTORS (Cont'd)

- (ii) our Underwriter exercising their rights pursuant to the Underwriting Agreement to discharge themselves from its obligations thereunder;
- (iii) the revocation of approvals from the relevant authorities for the Listing and/or admission for whatever reason; or
- (iv) we are unable to meet the public shareholding spread requirement of the Listing Requirements, i.e. at least 25% of our issued share capital for which listing is sought must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the point of our Listing.

Where prior to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and our Company and the Offerors, shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which the Company and the Offerors shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (ii) our Listing is aborted, investors will not receive any of our IPO Shares, all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, the Company and the Offerors shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by either:
 - (a) the sanction of our shareholders by special resolution in a general meeting, consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or
 - (b) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from the directors.

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9. RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, subject to certain exemptions, a “related party transaction” is a transaction entered into by a listed issuer or its subsidiary, which involves the interest, direct or indirect, of a related party. A “related party” is defined as a director, major shareholder or person connected with such director or major shareholder (including a director or major shareholder within the preceding six (6) months before the transaction was entered into). “Major shareholder” means a shareholder with a shareholding of 10% or more (or 5% or more where such person is the largest shareholder in the company) of all the voting shares in the company.

9.1 RELATED PARTY TRANSACTIONS

9.1.1 Material related party transactions entered into by our Group

The following table sets out the material related party transactions that we had entered into with related parties in respect of the Financial Years Under Review and up to the LPD:

		Transaction value			
		FYE			From 1 April 2021 to LPD ⁽¹⁾
Transacting parties and nature of relationship		2019 RM'000	2020 RM'000	2021 RM'000	RM'000
1	Liew Sen Hoi, Lim Show Ching, Marcus Liew, Ryan Liew, Roy Liew and Ray Liew as the vendors; and Unique Fire as the purchaser	-	-	-	50,529
Liew Sen Hoi, Lim Show Ching, prior to completion of the Acquisition of UFI, are common directors and shareholders of Unique Fire and UFI.					
Liew Sen Hoi, Lim Show Ching, Marcus Liew, Ryan Liew, Roy Liew and Ray Liew are shareholders of UFI prior to completion of the Acquisition of UFI. Marcus Liew and Ryan Liew are also our Executive Directors.					
2	Liew Sen Hoi, Marcus Liew, Ryan Liew, Roy Liew and Ray Liew as the vendors; and Unique Fire as the purchaser	-	-	-	70
Liew Sen Hoi, prior to completion of the Acquisition of UDI, is common director and shareholder of Unique Fire and UDI.					
Liew Sen Hoi, Marcus Liew, Ryan Liew, Roy Liew and Ray Liew are shareholders of UDI prior to completion of the Acquisition of UDI. Marcus Liew and Ryan Liew are also our Executive Directors.					

9. RELATED PARTY TRANSACTIONS (Cont'd)

Transacting parties and nature of relationship	Nature of transaction and purpose	Transaction value			From 1 April 2021 to LPD ⁽¹⁾ RM'000
		FYE			
		2019 RM'000	2020 RM'000	2021 RM'000	
3 UFI and Cfyre Protection Sdn Bhd (“Cfyre”)	Supply of products by UFI to Cfyre	-	122	117	19 ⁽²⁾
Ryan Liew was a common director of UFI and Cfyre Protection Sdn Bhd. He was a director of Cfyre Protection Sdn Bhd from 5 April 2019 to 24 March 2021, and a shareholder of Cfyre Protection Sdn Bhd from 5 April 2019 to 21 April 2021.			(0.16% of our Group's revenue)	(0.18% of our Group's revenue)	

Note:

- (1) The percentage is not able to be ascertained as at the LPD as the Group's audited financial statements for 1 April 2021 up to the LPD is not available.
- (2) Ryan Liew had ceased to be a director since 24 March 2021 and shareholder of Cyfre since 21 April 2021, hence this related party transaction will not recur in the future.
- (3) These related party transactions relate to the acquisition of the equity interest in UFI and UDI by the Company, which is an internal restructuring involving the shareholders and forms part of the Listing Scheme and are not recurring in nature.

Our Directors confirm that the above transactions were transacted on an arm's length basis and based on normal commercial terms which are not more favourable to the related party and are not to the detriment to our minority shareholders. In relation to the Acquisition of UFI and the Acquisition of UDI, the purchase considerations of the transactions were arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of UFI and UDI as at 31 March 2021 respectively. The Acquisition of UFI and the Acquisition of UDI were deemed related party transactions based on the definition of the Listing Requirements and form part of the internal restructuring of which the details are set out in Section 4.1.1 (a).

In relation to the supply of products by UFI to Cfyre, the fire protection products are supplied by UFI to Cfyre at market price. In addition, the transactions with Cfyre contributed less than one percent (1%) of our Group's revenue for the Financial Years Under Review. As such, the transactions with Cfyre are not detrimental to our Group.

9. RELATED PARTY TRANSACTIONS (Cont'd)

After our Listing, we will be required to seek our shareholders' approval each time we enter into material related party transactions in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such related party transactions during the validity period of the mandate. In the event there are any proposed related party transactions that require prior approval of our shareholders, our Directors, major shareholders and / or persons connected with them who have any direct or indirect interest in the proposed related party transactions shall abstain from deliberation and voting on resolution(s) pertaining to the respective transactions. Under the Listing Requirements, related party transactions may be aggregated to determine its materiality if the transactions occurred within a 12-month period, are entered into with the same party or with parties related to one another or if the transactions involved the acquisition or disposal of securities of interests in one corporation / asset or of various parcels of land contiguous to each other.

Upon our Listing, the Audit and Risk Management Committee will review the terms of any related party transactions and ensure that any related party transactions (including any recurrent related party transactions) are carried out on terms not more favourable to the related party than those generally available to the third parties dealing at arm's length basis with our Group and are not to the detriment to our minority shareholders. Our Group will seek such relevant shareholders' approval where required. We will make disclosures in our annual report of the aggregate value of the recurrent related party transactions entered into by us based on the nature of the transactions made, names of the related parties involved and their relationship with our Group during the financial year and in the annual reports for the subsequent financial years.

9.1.2 Related party transactions that are unusual in nature or condition

Our Directors have confirmed that there are no transactions that were unusual in its nature or condition, involving goods, services, tangible or intangible assets, to which we were a party in respect of the Financial Years Under Review and up to the LPD.

9.1.3 Loans and/or financial assistance made to or for the benefit of related parties

Our Directors have confirmed that there is no loan (including guarantees of any kind) and / or financial assistance made by us to or for the benefit of related parties for the Financial Years Under Review and up to the LPD.

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9. RELATED PARTY TRANSACTIONS (Cont'd)

9.1.4 Loans and/or financial assistance from related parties to our Group

The following table sets out the loans (including guarantees of any kind) and/or financial assistance from related parties to us for the Financial Years Under Review and as at the LPD:

Transacting parties and nature of relationship	Nature of transaction and purpose	Outstanding amount			
		As at 31 March			As at the LPD RM'000 ⁽¹⁾
		2019 RM'000	2020 RM'000	2021 RM'000	
1. UFI and Liew Sen Hoi, Lim Show Ching, Marcus Liew, and Ryan Liew who are directors and substantial shareholders of our subsidiary UFI	Liew Sen Hoi, Lim Show Ching, Marcus Liew, and Ryan Liew had given personal joint and several guarantees in favour of AmBank Islamic Berhad for credit facilities of RM5 million granted to UFI.	5,000	5,000	5,000	5,000
2. UFI and Liew Sen Hoi, Lim Show Ching who are directors and substantial shareholders of our subsidiary UFI	<p>Liew Sen Hoi and Lim Show Ching, had given three (3) personal joint and several guarantees in favour of Hong Leong Bank Berhad for credit facilities totalling to RM11.5 million granted to UFI.</p> <p>Liew Sen Hoi had also charged his personal property held under Geran 70272, Lot 45556, Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur in favour of Hong Leong Bank Berhad to secure a principal sum of RM9.7 million and interests thereon.</p> <p>The credit facilities granted by Hong Leong Bank Berhad to UFI had been fully settled and cancelled as at 15 June 2021. As at the LPD, the joint and several guarantees and the property charge had been discharged.</p>	11,500	11,500	11,500	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

Transacting parties and nature of relationship	Nature of transaction and purpose	Outstanding amount			
		As at 31 March			As at the LPD RM'000 ⁽¹⁾
		2019 RM'000	2020 RM'000	2021 RM'000	
3. UFI and Liew Sen Hoi, Lim Show Ching who are directors and substantial shareholders of our subsidiary UFI	Liew Sen Hoi and Lim Show Ching, had given their personal joint and several guarantee in favour of Public Islamic Bank Berhad for credit facilities totalling to RM3.0 million granted to UFI.	3,000	3,000	3,000	3,000
4. UFI and Liew Sen Hoi, Lim Show Ching who are directors and substantial shareholders of our subsidiary UFI	Liew Sen Hoi and Lim Show Ching, had given their personal joint and several guarantee in favour of Public Bank Berhad for credit facilities totalling to RM18.18 million granted to UFI.	18,180	18,180	18,180	18,180
5. UFI and Liew Sen Hoi, Lim Show Ching who are directors and substantial shareholders of our subsidiary UFI	Liew Sen Hoi and Lim Show Ching, had given their personal joint and several guarantee in favour of Public Bank Berhad for credit facilities totalling to RM4.5 million granted to UFI.	4,500	4,500	4,500	4,500

Note:

- (1) In respect of the existing personal guarantees which our Promoters Liew Sen Hoi, Lim Show Ching, Marcus Liew and Ryan Liew had granted in favour of Ambank Islamic Berhad, and Liew Sen Hoi and Lim Show Ching had granted in favour of Public Islamic Bank Berhad and Public Bank Berhad ("**Financiers**") for banking facilities granted to UFI, we have applied to the Financiers for their respective approvals to discharge the guarantees by substituting the same with a corporate guarantee from our Company after our Listing. As at 28 December 2021, we have received conditional approvals for the substitution of the personal guarantees with a corporate guarantee of the Company from the Financiers subject to the Listing.

9. RELATED PARTY TRANSACTIONS (Cont'd)

9.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

9.2.1 Audit and Risk Management Committee review

Our Audit and Risk Management Committee assesses the financial risk and matters relating to related party transactions and conflict of interests situation that may arise within our Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity. Our Audit and Risk Management Committee maintains and periodically reviews the adequacy of the procedures and processes set by our Company to monitor related party transactions and conflicts of interest. It also sets the procedures and processes to ensure that transactions are carried out in the best interest of our Company on normal commercial terms that are industry norms and not more favourable to the related party than those generally available to third parties dealing at arm's length, and are not to the detriment of the interest of our Company's minority shareholders. Amongst others, the related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations on the transactions.

All reviews by our Audit and Risk Management Committee are reported to our Board for its further action.

9.2.2 Our Group's policy on related party transactions and conflicts of interest

It is the policy of our Group that all related party transactions and conflicts of interest must be immediately and fully disclosed by our interested or conflicted Directors or substantial shareholders to the management for reporting to our Audit and Risk Management Committee. Any related party transactions must be reviewed by our Audit and Risk Management Committee to ensure that they are negotiated and agreed upon in the best interest of our Company on an arm's length basis, and are based on normal commercial terms not more favourable to the related party than those generally available to third parties, and are not to the detriment of the interest of our Company's minority shareholders.

In addition, in line with the Malaysian Code on Corporate Governance and the Corporate Governance Guide, our Directors are required to make an annual disclosure of any related party transactions and conflicts of interest with our Group and our Audit and Risk Management Committee must carry out an annual assessment of our Directors which include an assessment of such related party transactions and / or conflict of interest. Our Audit and Risk Management Committee will in turn report to our Board after their evaluation and assessment and make the appropriate recommendations to our Board.

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10. CONFLICT OF INTEREST

10.1 CONFLICT OF INTEREST

10.1.1 Interest in similar business of our Group

As at the LPD, none of our Directors and/or substantial shareholders has any other interest, whether direct or indirect, in any businesses or corporations which are carrying on a similar trade as our Group or which are the customers or suppliers of our Group.

Moving forward, our Audit and Risk Management Committee will supervise any conflict of interest or potential conflict of interest situations and review our Group's current and future related party transactions and ensure that such transactions will be carried out on an arm's length basis and on commercial terms in the best interest of our Group. Our Group will also seek such relevant shareholders' approval where required. We will also make disclosures in our annual report of the aggregate value of any recurrent related party transactions to be entered into by us (where required) based on the nature of the transactions made, names of the related parties involved and their relationship with our Group. Please refer to Section 9.2 of this Prospectus for further details of our monitoring and oversight policy on conflicts of interest.

10.2 DECLARATION BY ADVISERS ON CONFLICT OF INTEREST

10.2.1 Principal Adviser, Sponsor, Sole Underwriter and Placement Agent

AIBB and / or its related companies ("**Alliance Banking Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading and credit transaction services business. Alliance Banking Group has engaged and may in the future, engage in transactions with and perform services for Unique Fire Group and / or Unique Fire Group's affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of Alliance Banking Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of Unique Fire Group, its shareholders, and / or its affiliates and / or any other entity or person, hold long or short positions in securities issued by Unique Fire Group and / or its affiliates, and may trade or otherwise effect transactions for its own account or account of its other customer in debt or equity securities or loans of any member of Unique Fire Group and / or its affiliates. This is the result of the businesses of Alliance Banking Group generally acting independently of each other and accordingly, there may be situations where parts of the Alliance Banking Group now have or in the future, may have an interest or take actions that may conflict with the interest of Unique Fire Group. Nonetheless, Alliance Banking Group is required to comply with the applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese Wall between different business divisions.

AIBB has confirmed that it has no existing or potential interest in the Company and there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sole Underwriter and Placement Agent to our Group in relation to the Listing. The Underwriting Agreement, which certain details are set out in Section 4.6 of this Prospectus, was entered into on arm's length basis and on market terms.

10. CONFLICT OF INTEREST (Cont'd)

10.2.2 Solicitors for the Listing

Chooi & Company + Cheang & Ariff has confirmed that it has no existing or potential interest in the Company and there is no existing or potential conflict of interest in its capacity as the Solicitors to our Group in relation to the Listing.

10.2.3 Auditors and Reporting Accountants

Crowe Malaysia PLT has confirmed that it has no existing or potential interest in the Company and there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants to our Group in relation to the Listing.

10.2.4 Independent Business and Market Research Consultants

Vital Factor has confirmed that it has no existing or potential interest in the Company and there is no existing or potential conflict of interest in its capacity as the IMR to our Group in relation to the Listing.

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11. FINANCIAL INFORMATION**11.1 HISTORICAL AUDITED COMBINED FINANCIAL INFORMATION**

The historical audited combined financial information of our Group for the FYE 2019, FYE 2020 and FYE 2021 have been extracted from the Accountants' Report set out in Section 12 of this Prospectus, which deals with the audited combined financial statements of our Group for the same financial years under review.

You should read the historical audited combined financial information below together with:

- Management's Discussion and Analysis of Financial Conditions and Results of Operations set out in Section 11.3 of this Prospectus; and
 - Accountants' Report set out in Section 12 of this Prospectus.
- (a) **Historical audited combined statements of profit or loss and other comprehensive income of our Group**

	<-----Audited----->		
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Revenue	79,699	76,194	63,444
Cost of sales	(56,578)	(54,032)	(46,753)
GP	23,121	22,162	16,691
Other income	1,728	534	666
	24,849	22,696	17,357
Administrative expenses	(9,106)	(10,267)	(8,295)
Selling and distribution expenses	(1,213)	(1,283)	(681)
Finance costs	(831)	(667)	(441)
Other expenses	(557)	(318)	(19)
(Net impairment losses on financial assets) / Reversal of impairment losses on financial assets	267	-	(239)
PBT	13,409	10,161	7,682
Income tax expense	(3,464)	(2,677)	(2,358)
PAT / Total comprehensive income for the financial year	9,945	7,484	5,324
GP margin ⁽¹⁾ (%)	29.01	29.09	26.31
PBT margin ⁽²⁾ (%)	16.82	13.34	12.11
PAT margin ⁽³⁾ (%)	12.48	9.82	8.39
Effective tax rate (%)	25.83	26.35	30.70
EBITDA ⁽⁴⁾ (RM'000)	16,486	12,782	9,757
Basic and diluted EPS			
- After the Acquisition of UFI and UDI ⁽⁵⁾ (sen)	3.14	2.37	1.68
- After the Public Issue ⁽⁶⁾ (sen)	2.49	1.87	1.33

11. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) GP margin is calculated based on GP divided by revenue.
- (2) PBT margin is calculated based on PBT divided by revenue.
- (3) PAT margin is calculated based on PAT divided by revenue.
- (4) EBITDA is calculated as follows:

		<-----Audited----->		
		FYE 2019	FYE 2020	FYE 2021
		RM'000	RM'000	RM'000
PAT		9,945	7,484	5,324
Add:	Income tax expense	3,464	2,677	2,358
	Depreciation	2,250	1,959	1,634
	Amortisation	-	1	-
	Finance costs	831	667	441
Less:	Interest income	(4)	(6)	-
EBITDA		16,486	12,782	9,757

- (5) Based on PAT divided by the assumed number of Shares in issue of 316,250,000 after the Acquisition of UFI and UDI, but before Public Issue.
- (6) Based on PAT divided by the assumed number of Shares in issue of 400,000,000 after the Public Issue.

There was no share of profits of associated companies or joint ventures, and no exceptional or extraordinary items throughout the Financial Years Under Review. The audited financial statements of our Group for the Financial Years Under Review were not subject to any qualification or modification.

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11. FINANCIAL INFORMATION (Cont'd)
(b) Historical audited combined statements of financial position of our Group

	<-----Audited----->		
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
ASSETS			
Property, plant and equipment	30,356	27,403	26,581
Right-of-use assets	-	1,377	963
Intangible assets	-	19	-
Total non-current asset	30,356	28,799	27,544
Inventories	17,140	20,088	21,081
Trade and other receivables	24,466	24,177	24,471
Cash and bank balances	1,972	2,073	3,693
Total current assets	43,578	46,338	49,245
Total assets	73,934	75,137	76,789
EQUITY AND LIABILITIES			
Invested capital	9,105	9,305	9,455
Retained profits	46,014	47,320	41,144
Total equity	55,119	56,625	50,599
Lease liabilities	-	144	171
Long-term borrowings	9,885	12,222	11,345
Deferred tax liabilities	407	289	274
Total non-current liabilities	10,292	12,655	11,790
Trade and other payables	5,132	4,301	8,332
Amount due to a director	52	-	-
Lease liabilities	-	449	279
Short-term borrowings	2,444	689	5,181
Current tax liabilities	895	418	608
Total current liabilities	8,523	5,857	14,400
Total liabilities	18,815	18,512	26,190
Total equity and liabilities	73,934	75,137	76,789
NA	55,119	56,625	50,599

11. FINANCIAL INFORMATION (Cont'd)

11.2 CAPITALISATION AND INDEBTEDNESS

The following table sets out our Group's capitalisation and indebtedness:

- (i) as at 30 September 2021, after taking into account the Acquisition of UFI and UDI but before our Public Issue and use of proceeds; and
- (ii) after adjusting for the proceeds arising from our Public Issue and use of proceeds from our Public Issue.

	(Unaudited) As at 30 September 2021 RM'000	After the Public Issue and use of proceeds RM'000
INDEBTEDNESS		
<u>Current</u>		
Secured and guaranteed:		
Bankers' acceptance	4,301	4,301
Term loans	993	993
Hire purchase payable	-	-
Lease liabilities	110	110
	5,404	5,404
<u>Non-current</u>		
Secured and guaranteed:		
Term loans	11,214	11,214
Hire purchase payable	-	-
Lease liabilities	121	121
	11,335	11,335
Total Indebtedness	16,739	16,739
CAPITALISATION		
Shareholders' equity	53,070	[•]
Total capitalisation and indebtedness	69,809	[•]
Gearing ratio (times)*	0.32	[•]

Note:

- * Computed based on total indebtedness divided by our shareholders' equity.

11. FINANCIAL INFORMATION (Cont'd)

11.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

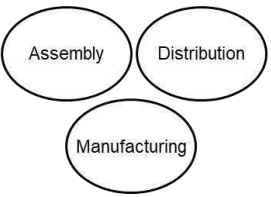


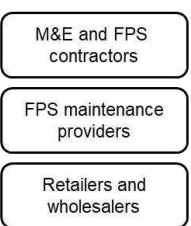
The following discussion and analysis should be read together with the Accountants' Report as set out in Section 12 of this Prospectus.

The management's discussion and analysis contains data derived from our audited combined financial statements as well as forward-looking statements that involve risks and uncertainties. The results may differ significantly from those projected in these forward-looking statements. Factors that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 8 of this Prospectus.

11.3.1 Overview of our operations

Our Company is principally an investment holding company and through our wholly-owned subsidiaries, UFI and UDI, are principally involved in the assembly, distribution and manufacturing of active fire protection systems, equipment and accessories for built environment. In addition, our other business activities include assisting in Bomba eFEIS application, sales of dry chemical fire extinguisher refilling machines and servicing of fire protection equipment.

A summary of our business model is set out as follows:

Business activities and revenue streams	Branding	Geographical markets	Distribution channel and customer base
Principal activities Fire protection systems, equipment and accessories 	Own brands 	Principal market 	Main channel Indirect 
Other activities ⁽¹⁾ <ul style="list-style-type: none"> Assisting in Bomba eFEIS application Sales of dry chemical fire extinguisher refilling machines Servicing of fire protection equipment 	Third party brands ⁽²⁾ <ul style="list-style-type: none"> Orient Kidde CD ZYfire Viking Demco System Sensor Ansul 	Foreign markets ⁽³⁾ <ul style="list-style-type: none"> Hong Kong Vietnam Cambodia Brunei Other countries 	Complementary channel Direct ⁽⁴⁾ <ul style="list-style-type: none"> Vehicle manufacturers End-users

Please refer to Section 6 of this Prospectus for further information on our business activities.

11.3.2 Review of operations

(a) Revenue

Our revenue is derived from the assembly, distribution and manufacturing of active fire protection systems, equipment and accessories both under our own brands and third-party brands which contributed more than 98% of our total revenue during the Financial Years Under Review with the balance of the revenue contribution from the other activities such as assisting in Bomba eFEIS application, sales of dry chemical fire extinguisher refilling machines and servicing of fire protection equipment. We derived most of our revenue from Malaysia with only 1.25%, 1.01% and 1.30% of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively, contributed from the foreign countries, such as Hong Kong, Vietnam, Cambodia and Brunei.

11. FINANCIAL INFORMATION (Cont'd)

As we are involved in the assembly, distribution and manufacture of active fire protection systems, equipment and accessories for the built environment, our revenue stream can be classified into the following business activities:

- Assembly** : We assemble fire suppression systems and equipment by integrating multiple parts and components that we purchased from external suppliers and where relevant, filling cylinders with extinguishing agents and propellant to form the finished product.
- Distribution** : We distribute fire suppression systems, equipment and accessories under our brands and third party brands where we source the products from domestic and foreign manufacturers and suppliers and supply the products to our customers. No modification or alteration is involved in our distribution activities.
- Manufacturing** : We manufacture fire protection equipment under our brand involving the transformation of input materials into finished products. In particular, we manufacture hand portable dry chemical fire extinguishers, where we manufacture the fire extinguisher cylinders in-house and put together the parts and fill the cylinders with extinguishing agents.

In addition to the above, our other business activities include assisting in Bomba eFEIS application, sales of dry chemical fire extinguisher refilling machines and servicing of fire protection equipment. Please refer to Section 6.4.2 of the Prospectus for further information on our business activities and revenue stream.

The range of active fire protection systems, equipment and accessories that we market under our assembly, distribution and manufacturing activities are illustrated below:

Product categories	Assembly activities	Distribution activities	Manufacturing activities
Fire suppression systems	<ul style="list-style-type: none"> - CO₂ fire suppression systems - HFC fire suppression systems 	<ul style="list-style-type: none"> - Sprinkler systems - Dry and wet riser systems and hydrants - Wet chemical fire suppression systems 	Not applicable
Fire protection equipment	<ul style="list-style-type: none"> - Trolley mounted dry chemical fire extinguishers - CO₂ fire extinguishers - Foam fire extinguishers - Fire hose reels - Fire hoses 	<ul style="list-style-type: none"> - Fire hoses 	<ul style="list-style-type: none"> - Hand portable dry chemical fire extinguishers
Fire protection accessories	Not applicable	<ul style="list-style-type: none"> - Fire alarm and detection devices - Batteries - Cabinets - Fire blankets 	Not applicable

11. FINANCIAL INFORMATION (Cont'd)

Revenue from the sale of goods is recognised when our Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Our revenue is recognised net of any sales discounts and tax.

Our revenue is mainly driven by the following key factors:

- the performance of building construction and property development industries and the general economy which may affect the demand for our products;
- the competition from other operators that are involved in the assembly, distribution and manufacturing of active fire protection systems, equipment and accessories may affect the selling prices and sales volume of our products; and
- our ability to retain existing customers and/or secure new customers based on the quality, price competitiveness and availability and range of our active fire protection systems, equipment and accessories.

Our Group recorded revenue of RM79.70 million, RM76.19 million and RM63.44 million for the FYE 2019, FYE 2020 and FYE 2021, respectively, where the revenue from our assembly activities accounted for RM37.00 million (or 46.42%), RM35.77 million (or 46.94%) and RM30.72 million (or 48.42%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively. Our revenue from the distribution activities accounted for RM30.42 million (or 38.17%), RM27.92 million (or 36.65%) and RM20.48 million (or 32.29%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively. Our revenue from the manufacturing activities accounted for RM10.96 million (or 13.75%), RM11.39 million (or 14.95%) and RM11.14 million (or 17.55%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively. Our other activities contributed RM1.32 million (or 1.66%), RM1.11 million (or 1.46%) and RM1.10 million (or 1.74%) of our total revenue for the FYE 2019, FYE 2020 and FYE 2021, respectively.

(i) Analysis of contribution to revenue by business activities and products

The breakdown of our Group's revenue by business activities and products for the Financial Years Under Review is as follows:

Business activities	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Assembly	37,000	46.42	35,773	46.94	30,725	48.42
- Fire suppression systems	21,950	27.54	21,113	27.71	19,417	30.60
- Fire protection equipment	15,050	18.88	14,660	19.23	11,308	17.82
Distribution	30,419	38.17	27,918	36.65	20,483	32.29
- Fire suppression systems	23,348	29.30	20,691	27.16	14,739	23.23
- Fire protection accessories	7,071	8.87	7,168	9.41	5,550	8.75
- Fire protection equipment	-	-	59	0.08	194	0.31
Manufacturing	10,957	13.75	11,392	14.95	11,135	17.55
- Fire protection equipment	10,957	13.75	11,392	14.95	11,135	17.55
Other activities	1,323	1.66	1,111	1.46	1,101	1.74
Total revenue	79,699	100.00	76,194	100.00	63,444	100.00

11. FINANCIAL INFORMATION (Cont'd)**Commentary:**Comparison between FYE 2019 and FYE 2020

For the FYE 2020, our total revenue decreased by RM3.51 million or 4.40% to RM76.19 million (FYE 2019: RM79.70 million). The decrease in total revenue for the FYE 2020 was mainly attributable to competitive landscape and commencement of MCO on 18 March 2020 which affected the sales.

For the FYE 2020, revenue from our assembly activities decreased by RM1.23 million or 3.32% to RM35.77 million (FYE 2019: RM37.00 million) mainly due to lower sales of CO₂ fire suppression systems in view of the reschedule of delivery to a later date by our customers amounted to RM0.32 million arising from the commencement of the MCO period on 18 March 2020 coupled with the switch of our product focus to self-assembly HFC fire suppression systems. The HFC fire suppression systems are marketed under our own brand Unique227, where sales picked up mainly for use in TNB's substations during the FYE 2020 following the SGP certification being obtained for such systems in 2018, which partly offset the lower sales of CO₂ fire suppression systems.

For the FYE 2020, revenue from our distribution activities decreased by RM2.50 million or 8.22% to RM27.92 million (FYE 2019: RM30.42 million) mainly due to lower revenue from the sales of fire suppression systems in particular the third party brand sprinkler systems as a result of the introduction of a new sprinkler product with competitive pricing in the market by other industry player during the FYE 2020.

For the FYE 2020, revenue from our manufacturing activities increased by RM0.43 million or 3.92% to RM11.39 million (FYE 2019: RM10.96 million) mainly due to our price competitiveness and value-added services provided to our customers such as the Bomba eFEIS registration.

For the FYE 2020, revenue from our other activities decreased by RM0.21 million or 15.91% to RM1.11 million (FYE 2019: RM1.32 million) mainly due to additional labour services which were charged to a customer in FYE 2019 for a one-off upgrading works conducted on fire suppression system.

Comparison between FYE 2020 and FYE 2021

For the FYE 2021, our total revenue decreased by RM12.75 million or 16.73% to RM63.44 million (FYE 2020: RM76.19 million). The decrease in total revenue for the FYE 2021 was mainly attributable to the slow down in construction activities and general economy following the containment measures imposed by the Government during the COVID-19 pandemic in particular during the period from March 2020 to June 2020 where the nation was experiencing MCO for the first time and most business activities (except for those essential services which were allowed to operate by MITI) were at a standstill. As a result, our revenue for the assembly, distribution and manufacturing activities were affected as most of our customers are involved in the building construction and property development industries.

For the FYE 2021, as a consequence of the COVID-19 pandemic:

- (i) the revenue from our assembly activities decreased by RM5.05 million or 14.12% to RM30.72 million (FYE 2020: RM35.77 million); and
- (ii) the revenue from our distribution activities decreased by RM7.44 million or 26.65% to RM20.48 million (FYE 2020: RM27.92 million),

11. FINANCIAL INFORMATION (Cont'd)

as most construction projects were temporary suspended and restrictions on the supply of building materials amidst the containment measures imposed by the Government which caused deferment in the demand from our customers and the delivery of our products were rescheduled to a later date by our customers.

For the FYE 2021, the revenue from our manufacturing activities decreased marginally by RM0.25 million or 2.19% to RM11.14 million (FYE 2020: RM11.39 million). The lower amount of decrease in the revenue from our manufacturing activities as compared to our assembly and distribution activities was mainly due to the pent-up demand and fulfilment of the outstanding delivery for our fire extinguishers after the period of MCO 1.0.

For the FYE 2021, revenue from our other activities decreased by RM0.01 million or 0.90% to RM1.10 million (FYE 2020: RM1.11 million) mainly due to decrease in eFEIS applications made for and charged to customers.

The Covid-19 pandemic and the consequential containment measures had affected the overall financial performance of our Group during the Financial Years Under Review. In 2020, real GDP of Malaysia declined by 5.6%. In the first quarter (Q1) of 2021, Malaysia's real GDP recorded a decline of 0.5% compared to Q1 2020, before it expanded and grew by 16.1% in the second quarter (Q2) 2021 compared to Q2 2020. Meanwhile, the real GDP of the construction industry declined by 19.4% in 2020. In Q1 2021, the construction industry improved with a smaller decline of 10.4% compared to Q1 2020, before it expanded with a growth of 40.3% in Q2 2021. (*Source: Industry Overview*).

To address the impact on our financial performance from the Covid-19 pandemic, our Group had also undertaken the following measures:

- (i) increase our marketing team personnel in order to intensify the sales and marketing effort. As at the LPD, we had hired 2 additional marketing personnel;
- (ii) adopt innovative marketing strategy by engaging M&E consultants directly to promote our Group's own brand and products; and
- (iii) maintain the inventory level of our products to enhance the responsiveness towards our customers' orders.

Nevertheless, the economy in Malaysia is forecasted with real GDP growth between 5.5% and 6.5% in 2022. It is also expected that the construction industry, which our business is dependent on, will recover in 2022 with a forecasted real GDP growth of 11.5% (*Source: Industry Overview*).

Based on the above, our Company expects that the overall financial performance of our Group will improve in FYE 2022.

(b) Cost of sales, GP and GP margin

Our cost of sales comprises the following:

Material costs : Material costs are the main component of our cost of sales which accounted for RM52.40 million (or 92.62%), RM49.72 million (or 92.03%) and RM42.81 million (or 91.57%) of our total cost of sales for the FYE 2019, FYE 2020 and FYE 2021, respectively.

11. FINANCIAL INFORMATION (Cont'd)

Our materials cost mainly consists of the following:

- input materials for our assembly and manufacturing activities such as empty cylinders, steel coils and sheets, dry powder, CO₂ and HFC-227ea, fire hose reels and fire hoses parts as well as other fire suppression systems parts and components that are used in our assembly and manufacturing activities.
- goods for distribution procured from suppliers and/or manufacturers for onwards sale or distribution to our customers such as the sprinkler systems, wet and dry riser systems and hydrants, wet chemical fire suppression systems and fire protection accessories.

The cost of purchase is net of rebates and payment discounts received from our suppliers. Such rebates and payments discounts are subject to us achieving certain key performance targets such as quantity purchased and meeting repayment schedule.

Direct expenses

- : Direct expenses accounted for RM3.08 million (or 5.44%), RM3.28 million (or 6.06%) and RM3.02 million (6.47%) of our total cost of sales for the FYE 2019, FYE 2020 and FYE 2021, respectively.

Our direct expenses mainly comprise salaries, wages allowances, bonuses and other workers' related expenses for the assembly and manufacturing line, packing expenses, Bomba certification fees for our assembly and manufactured products, QC, testing and inspection fees for our assembly and manufactured products.

Factory overheads

- : Factory overhead accounted for RM1.10 million (or 1.94%), RM1.03 million (or 1.91%) and RM0.92 million (or 1.96%) of our total cost of sales for the FYE 2019, FYE 2020 and FYE 2021, respectively.

Our factory overheads mainly comprise depreciation charges for machinery and equipment used for our assembly and manufacturing activities, upkeep of machinery and equipment, electricity and water charges.

The key factors affecting our cost of sales, GP and GP margin include the following:

- fluctuation in the prices of our input materials and goods for distribution and our ability to pass on the increase in cost to customers;
- our procurement strategy which would affect our costing and pricing strategy;
- our ability to maintain long-term relationships with our key suppliers and to secure wider range of active fire protection equipment at competitive prices and favourable terms to meet the demand and requirements of our customers; and
- our product sales mix composition as some product categories may have higher GP margin as compared to others.

11. FINANCIAL INFORMATION (Cont'd)

Our Group recorded cost of sales of RM56.58 million, RM54.03 million and RM46.75 million for the FYE 2019, FYE 2020 and FYE 2021, respectively, and the corresponding GP recorded was RM23.12 million, RM22.16 million and RM16.69 million for the FYE 2019, FYE 2020 and FYE 2021, respectively.

(i) Analysis of cost of sales by cost components

A breakdown of our cost of sales by cost components for the Financial Years Under Review is as follows:

Cost components	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Material costs	52,401	92.62	49,724	92.03	42,812	91.57
Direct expenses	3,077	5.44	3,277	6.06	3,024	6.47
Factory overheads	1,100	1.94	1,031	1.91	917	1.96
Total cost of sales	56,578	100.00	54,032	100.00	46,753	100.00

(ii) Analysis of cost of sales by business activities and products

A breakdown of our cost of sales by business activities and products for the Financial Years Under Review is as follows:

Business activities	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Assembly	27,738	49.03	26,735	49.48	24,246	51.86
- Fire suppression systems	16,581	29.31	15,875	29.38	15,887	33.98
- Fire protection equipment	11,157	19.72	10,860	20.10	8,359	17.88
Distribution	20,425	36.10	19,119	35.39	14,171	30.31
- Fire suppression systems	15,433	27.28	14,033	25.97	10,246	21.91
- Fire protection accessories	4,992	8.82	5,044	9.34	3,813	8.16
- Fire protection equipment	-	-	42	0.08	112	0.24
Manufacturing	7,954	14.06	7,706	14.26	7,948	17.00
- Fire protection equipment	7,954	14.06	7,706	14.26	7,948	17.00
Other activities	461	0.81	472	0.87	388	0.83
Total cost of sales	56,578	100.00	54,032	100.00	46,753	100.00

11. FINANCIAL INFORMATION (Cont'd)**Commentary:**Comparison between FYE 2019 and FYE 2020

For the FYE 2020, our total cost of sales decreased by RM2.55 million or 4.51% to RM54.03 million (FYE 2019: RM56.58 million). The decrease in total cost of sales was in line with the decrease in the revenue for the FYE 2020.

The material costs decreased by RM2.68 million or 5.11% to RM49.72 million in the FYE 2020 (FYE 2019: RM52.40 million) mainly due to lower sales during the financial year. The direct expenses increased by RM0.20 million or 6.49% to RM3.28 million in the FYE 2020 (FYE 2019: RM3.08 million) mainly due to higher workers' salary and wages, additional workers were recruited in UDI to manage fire safety courses and seminars, higher Bomba e-FEIS registration and quality control expenses due to higher sales of our fire extinguishers during the FYE 2020. The factory overheads remained relatively stable in the FYE 2020.

Comparison between FYE 2020 and FYE 2021

For the FYE 2021, our total cost of sales decreased by RM7.28 million or 13.47% to RM46.75 million (FYE 2020: RM54.03 million). The decrease in total cost of sales was in line with the decrease in the revenue for the FYE 2020 in view of the COVID-19 pandemic.

The material costs decreased by RM6.91 million or 13.90% to RM42.81 million in the FYE 2021 (FYE 2020: RM49.72 million) mainly due to the lower input materials used for assembly activities as well as goods for distribution sold during the FYE 2021. The direct expenses also decreased by RM0.26 million or 7.93% to RM3.02 million in the FYE 2021 (FYE 2020: RM3.28 million) mainly due to lower bonus and allowances for workers. The factory overheads decreased by RM0.11 million or 10.68% to RM0.92 million in the FYE 2021 (FYE 2020: RM1.03 million) mainly due to lower utilities expenses as a result of lower assembly activities.

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11. FINANCIAL INFORMATION (Cont'd)
(iii) Analysis of GP and GP margins by business activities and products

The breakdown of our Group's GP and GP margin by business activities and products for the Financial Years Under Review are as follows:

Business activities	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Assembly	9,262	40.06	9,038	40.79	6,479	38.82
- Fire suppression systems	5,369	23.22	5,238	23.64	3,530	21.15
- Fire protection equipment	3,893	16.84	3,800	17.15	2,949	17.67
Distribution	9,994	43.22	8,799	39.70	6,312	37.82
- Fire suppression systems	7,915	34.23	6,658	30.04	4,493	26.92
- Fire protection accessories	2,079	8.99	2,124	9.58	1,737	10.41
- Fire protection equipment	-	-	17	0.08	82	0.49
Manufacturing	3,003	12.99	3,686	16.63	3,187	19.09
- Fire protection equipment	3,003	12.99	3,686	16.63	3,187	19.09
Other activities	862	3.73	639	2.88	713	4.27
Total GP	23,121	100.00	22,162	100.00	16,691	100.00
	FYE 2019		FYE 2020		FYE 2021	
GP Margin	%		%		%	
Assembly	25.03		25.26		21.09	
- Fire suppression systems	24.46		24.81		18.18	
- Fire protection equipment	25.87		25.92		26.08	
Distribution	32.85		31.52		30.82	
- Fire suppression systems	33.90		32.18		30.48	
- Fire protection accessories	29.40		29.63		31.30	
- Fire protection equipment	-		28.81		42.27	
Manufacturing	27.41		32.36		28.62	
- Fire protection equipment	27.41		32.36		28.62	
Other activities	65.15		57.72		64.76	
Over GP Margin	29.01		29.09		26.31	

11. FINANCIAL INFORMATION (Cont'd)

Commentary:

Comparison between FYE 2019 and FYE 2020

For the FYE 2020, our GP decreased by RM0.96 million or 4.15% to RM22.16 million (FYE 2019: RM23.12 million). The decrease in the GP was in line with the lower sales recorded during the FYE 2020.

For the FYE 2020, we recorded a decrease in GP from our assembly activities by RM0.22 million or 2.38% to RM9.04 million (FYE 2019: RM9.26 million) which was in line with the decrease in the revenue from our assembly activities. We recorded a decrease in the GP from our distribution activities by RM1.19 million or 11.91% to RM8.80 million (FYE 2019: RM9.99 million) mainly due to lower GP from the sales of third party brand sprinkler systems which corresponded with the decline in such sales. As for the manufacturing activities, we recorded an increase in GP by RM0.69 million or 23.00% to RM3.69 million (FYE 2019: RM3.00 million) mainly due to higher sales of our own manufactured fire extinguishers.

Our overall GP margin improved marginally from 29.01% in the FYE 2019 to 29.09% in the FYE 2020 mainly due to the following:

- (a) higher GP margin recorded from our assembly activities of 25.26% in the FYE 2020 (FYE 2019: 25.03%) which was mainly attributable to the higher sales of our self-assembly HFC fire suppression systems which was of higher GP margin; and
- (b) higher GP margin recorded from our manufacturing activities of 32.36% in the FYE 2020 (FYE 2019: 27.41%) mainly due to lower cost of sales as we managed to source for more price competitive component parts and discounts received from our steel suppliers during the FYE 2020.

However, such an increase was partly offset by lower sales and GP made during the FYE 2020 from our distribution activities. Generally, the products that we distribute record higher GP margin as compared to our assembly and manufacturing activities, due to limited authorised distributors for certain brands and products in the market. The GP margin for our distribution activities decreased from 32.85% in the FYE 2019 to 31.52% in the FYE 2020 mainly due to lower GP margin for the third party sprinkler systems following some price adjustments made in order to remain competitive as a result of the introduction of a new sprinkler product with competitive pricing in the market by other industry player.

Comparison between FYE 2020 and FYE 2021

For the FYE 2021, our GP decreased by RM5.47 million or 24.68% to RM16.69 million (FYE 2020: RM22.16 million). The decrease in the GP was in line with the lower overall sales recorded due to the COVID-19 pandemic during the FYE 2021.

Correspondingly, we recorded a decrease in the GP from:

- (a) our assembly activities by RM2.56 million or 28.32% to RM6.48 million (FYE 2020: RM9.04 million);
- (b) our distribution activities by RM2.49 million or 28.30% to RM6.31 million (FYE 2020: RM8.80 million); and
- (c) our manufacturing activities by RM0.50 million or 13.55% to RM3.19 million (FYE 2020: RM3.69 million).

11. FINANCIAL INFORMATION (Cont'd)

Our overall GP margin decreased from 29.09% in the FYE 2020 to 26.31% in the FYE 2021 mainly attributable to the following factors:

- (a) lower GP margin recorded from our assembly activities of 21.09% in the FYE 2021 (FYE 2020: 25.26%) mainly due to the lower GP margin for the sales of our fire suppression systems as discounts were granted to certain key customers to encourage sales during the COVID-19 pandemic period;
- (b) lower GP margin recorded from our distribution activities of 30.82% in the FYE 2021 (FYE 2020: 31.52%) mainly due to further price adjustment for our third party brand sprinkler systems to remain competitive during the FYE 2021;
- (c) lower proportion GP contribution from our distribution activities which were generally of higher GP margin;
- (d) lower GP margin for the manufacturing of fire extinguishers due to the sudden increase in steel prices which was not fully passed on to customers; and
- (e) fixed productions overheads continued to be maintained during the MCO periods.

Our overall GP margin in the FYE 2021 had been affected by the Covid-19 pandemic, coupled with the sudden increase in steel prices. In addition to the monthly pricing strategy adopted, which is set out in Section 6.11 of this Prospectus, we also negotiate with our suppliers in advance to secure favourable pricing for the raw materials before fixing the selling price for our customers' orders. In addition, we procure the raw materials in bulk to negotiate for better discount and to fulfill the anticipated demand following the reopening of some economy sectors particularly the building construction and property development industry.

(c) Other income

Our Group recorded other income of RM1.73 million, RM0.53 million and RM0.67 million for the FYE 2019, FYE 2020 and FYE 2021, respectively. The breakdown of our other income for the Financial Years Under Review is as follows:

	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Interest income	4	0.23	6	1.12	*	*
Gain on foreign exchange – unrealised	234	13.54	356	66.67	30	4.50
Gain on foreign exchange - realised	-	-	-	-	109	16.37
Gain on disposal of property, plant and equipment	231	13.37	51	9.55	-	-
Gain in disposal of right-of-use assets	-	-	-	-	52	7.81
Recovery of bad debts	-	-	118	22.10	202	30.33
Compensation received	1,245	72.05	2	0.37	1	0.15
Others ⁽¹⁾	14	0.81	1	0.19	272	40.84
Total	1,728	100.00	534	100.00	666	100.00

11. FINANCIAL INFORMATION (Cont'd)**Note:**

- (1) Mainly comprise subsidy received from SOCSO (PERKESO) under the Prihatin Rakyat Economic Stimulus Package (PrihatinPKS+) Wage Subsidy Programme and sundry income.

Commentary:Comparison between FYE 2019 and FYE 2020

For the FYE 2020, our Group recorded a decrease in other income by RM1.20 million or 69.36% to RM0.53 million (FYE 2019: RM1.73 million). The decrease was mainly due to the following:

- (i) one-off compensation received from overseas supplier of RM1.25 million claimed by our Group in the FYE 2019 as the result of non-performance of the machinery purchased; and
- (ii) lower gain on disposal of property, plant and equipment of RM0.05 million in the FYE 2020 (FYE 2019: RM0.23 million).

Such decrease in other income was partly mitigated by the higher unrealised gain on foreign exchange of RM0.36 million in the FYE 2020 (FYE 2019: RM0.23 million) and the recovery of bad debts from our customer of RM0.12 million during the FYE 2020.

Comparison between FYE 2020 and FYE 2021

For the FYE 2021, our Group recorded an increase in other income by RM0.14 million or 26.42% to RM0.67 million (FYE 2020: RM0.53 million). The increase was mainly due to the following:

- (i) wage subsidy received from SOCSO (PERKESO) under the Prihatin Rakyat Economic Stimulus Package (PrihatinPKS+) Wage Subsidy Programme of RM0.24 million in the FYE 2021;
- (ii) gain on foreign exchange recognised of RM0.36 million in the FYE 2021; and
- (iii) higher recovery of bad debts of RM0.20 million in the FYE 2021 (FYE 2020: RM0.12 million).

However, the increase in other income was partly mitigated by the lower unrealised gain on foreign exchange of RM0.03 million in the FYE 2021 (FYE 2020: RM0.36 million).

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11. FINANCIAL INFORMATION (Cont'd)**(d) Administrative expenses**

Our Group incurred administrative expenses of RM9.11 million, RM10.27 million and RM8.29 million for the FYE 2019, FYE 2020 and FYE 2021, respectively. The breakdown of our administrative expenses for the Financial Years Under Review is as follows:

	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Directors' remuneration	1,027	11.28	1,658	16.15	1,753	21.13
Staff costs	2,910	31.96	3,297	32.11	2,512	30.28
Depreciation of property, plant and equipment, and right-of-use assets	1,575	17.30	1,368	13.32	1,069	12.89
Upkeep of property, plant and equipment	720	7.90	672	6.55	905	10.91
Professional fees	240	2.63	163	1.59	301	3.63
Insurance charges	180	1.98	180	1.75	151	1.82
GST and SST	296	3.25	560	5.45	380	4.58
Travelling expenses	353	3.88	409	3.98	244	2.94
Entertainment	173	1.90	282	2.75	97	1.17
Labour and hiring charges ⁽¹⁾	262	2.88	249	2.43	3	0.04
Others ⁽²⁾	1,370	15.04	1,429	13.92	880	10.61
Total	9,106	100.00	10,267	100.00	8,295	100.00

Note:

- (1) Labour and hiring charges mainly relates to the outsourced labour charges for the installation work of fire protection system which was provided on an ad-hoc basis.
- (2) Others mainly consist of bank charges, printing and stationery, permit and licence fees, quit rent and assessment, cleaning and security charges, sundry expenses and office utilities charges.

Commentary:Comparison between FYE 2019 and FYE 2020

For the FYE 2020, our Group recorded an increase in administrative expenses by RM1.16 million or 12.73% to RM10.27 million (FYE 2019: RM9.11 million). The increase in administrative expenses was mainly due to the following factors:

- (i) increase in directors' remuneration by RM0.63 million mainly due to the appointment of 4 new directors in November 2018 and the remuneration of the 4 new directors for the full financial year was only reflected in FYE 2020;
- (ii) increase in staff costs by RM0.39 million mainly due to increase in workforce by 10 employees to cater for the operations of UDI, overall salary increment and leave passage as employee benefits; and

11. FINANCIAL INFORMATION (Cont'd)

- (iii) increase in SST by RM0.26 million mainly due to higher SST incurred for the higher purchases of goods for distribution during the FYE 2020.

However, such increase in administrative expenses was partly mitigated by the decrease in depreciation charges and upkeep of property, plant and equipment of RM0.26 million.

Comparison between FYE 2020 and FYE 2021

For the FYE 2021, our Group recorded a decrease in administrative expenses by RM1.97 million or 19.18% to RM8.30 million (FYE 2020: RM10.27 million). The decrease in administrative expenses was mainly due to the following factors:

- (i) decrease in staff costs by RM0.79 million due to reduce in workforce by 2 headcounts, lower bonus, reduction in staff benefits such as leave passage in view of the COVID-19 pandemic;
- (ii) decrease in depreciation charges by RM0.30 million as some of the property, plant and equipment have been fully depreciated; and
- (iii) decrease in travelling expenses by RM0.17 million due to less business activities during the MCO periods;
- (iv) decrease in outsourced labour charges for installation work during the FYE 2021 which was on an ad-hoc basis. Our Group is not involved in the provision of installation works unless requested by our customers. In attending to such request, our Group will usually outsource to third party installers to carry out the works; and
- (v) decrease in entertainment expenses by RM0.19 million and other expenses such as festive celebration expenses, printing and stationery expenses by RM0.55 million as part of our cost cutting measures in view of the COVID-19 pandemic

However, such decrease in administrative expenses was partly mitigated by the increase in upkeep of property, plant and equipment by RM0.23 million mainly due to the upgrade in ERP system and increase in legal and professional fees by RM0.14 million mainly due to listing expenses.

(e) Selling and distribution expenses

Our Group incurred selling and distribution expenses of RM1.21 million, RM1.28 million and RM0.68 million for the FYE 2019, FYE 2020 and FYE 2021, respectively. The breakdown of our selling and distribution expenses for the Financial Years Under Review is as follows:

	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Sales commission	338	27.87	399	31.10	170	24.96
Transportation charges	587	48.39	578	45.05	461	67.70
Marketing expenses	217	17.89	70	5.46	38	5.58
Product certification fees	-	-	163	12.70	-	-
Others ⁽¹⁾	71	5.85	73	5.69	12	1.76
Total	1,213	100.00	1,283	100.00	681	100.00

11. FINANCIAL INFORMATION (Cont'd)

Note:

- (1) Mainly comprises photography and videography costs and website expenses.

Commentary:

Comparison between FYE 2019 and FYE 2020

For the FYE 2020, our Group recorded a marginal increase in selling and distribution expenses of RM0.07 million or 5.79% to RM1.28 million (FYE 2019: RM1.21 million). The increase was mainly due to the product certification fees incurred to meet the requirement of the FM procedures for Kidde brand HFC filling machine which was partly mitigated by lower marketing expenses incurred for the online sales in the FYE 2020.

Comparison between FYE 2020 and FYE 2021

For the FYE 2021, our Group recorded a decrease in selling and distribution expenses of RM0.60 million or 46.88% to RM0.68 million (FYE 2020: RM1.28 million). The decrease was mainly due to lower sales commission for our staff due to the lower sales performance of our Group during the financial year and lower transportation charges in line with the lower sales and less travelling during the FYE 2021 amidst the COVID-19 pandemic.

(f) Finance costs

Our Group incurred finance costs of RM0.83 million, RM0.67 million and RM0.44 million for the FYE 2019, FYE 2020 and FYE 2021, respectively. The breakdown of our finance costs for the Financial Years Under Review is as follows:

	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Bank overdraft interest	59	7.10	161	24.14	12	2.72
Bankers' acceptance interest	29	3.49	3	0.45	35	7.94
Term loans interest	604	72.68	409	61.32	336	76.19
Hire purchase interest	88	10.59	-	-	-	-
Lease liabilities interest	-	-	52	7.79	16	3.63
Bank charges ⁽¹⁾	51	6.14	42	6.30	42	9.52
Total	831	100.00	667	100.00	441	100.00

Note:

- (1) Mainly comprises bank commitment fees and letter of credit charges.

11. FINANCIAL INFORMATION (Cont'd)**Commentary:**Comparison between FYE 2019 and FYE 2020

For the FYE 2020, our Group recorded a decrease in finance costs of RM0.16 million or 19.28% to RM0.67 million (FYE 2019: RM0.83 million). The decrease in the finance costs was mainly due to advance payment made for the flexi-term loans during the FYE 2020. The flexi-term loan is obtained by our Group to finance the purchase of our existing Operational Facility in Shah Alam, Selangor, with redraw facilities whereby borrower is allowed to make advance payment on top of the monthly repayment schedule. Borrower is also allowed to withdraw such advance payment which is made on top of the monthly repayment schedule from time to time. As part of our Group's cash flow management strategy, the advance payment was made from the surplus cash available in order to reduce our Group's finance costs and withdrawal of such advance payment will be made as and when required by our Group.

Comparison between FYE 2020 and FYE 2021

For the FYE 2021, our Group recorded a decrease in finance costs of RM0.23 million or 34.33% to RM0.44 million (FYE 2020: RM0.67 million). The decrease in the finance costs was mainly due to lower utilisation of bank overdraft and advance payment made for the flexi-term loans and lower interest rates for term loans during the FYE 2021.

(g) Other expenses

Our Group incurred other expenses of RM0.56 million, RM0.32 million and RM0.02 million for the FYE 2019, FYE 2020 and FYE 2021, respectively. The breakdown of our expenses for the Financial Years Under Review is as follows:

	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Bad debts written off	360	64.63	-	-	-	-
Loss on foreign exchange – unrealised	197	35.37	318	100.00	-	-
Written off of intangible assets	-	-	-	-	19	100.0
Total	557	100.00	318	100.00	19	100.00

Commentary:Comparison between FYE 2019 and FYE 2020

For the FYE 2020, our Group recorded a decrease in other expenses of RM0.24 million or 42.86% to RM0.32 million (FYE 2019: RM0.56 million). The decrease in other expenses was mainly due to bad debts written off amounting to RM0.36 million in relation to the outstanding trade receivables that were not recoverable in the FYE 2019. The bad debts written off is not related to our Group's major customer. It was resulted from several customers with insignificant contribution each. Up to the LPD, our Group does not enter into subsisting business relationship with any of these customers, save for a customer whom we managed to recover fully the bad debts amounted to RM0.02 million subsequently.

11. FINANCIAL INFORMATION (Cont'd)Comparison between FYE 2020 and FYE 2021

For the FYE 2021, our Group recorded a decrease in other expenses of RM0.30 million or 93.75% to RM0.02 million (FYE 2020: RM0.32 million). The decrease in the other expenses was mainly due to the unrealised loss on foreign exchange recorded in the FYE 2020 and the written off of intangible assets of RM0.02 million recorded in the FYE 2021 in relation to a software invested in UDI due to no future economic benefits are expected from its use.

(h) Net impairment losses on financial assets / (Reversal of impairment losses on financial assets)

Our Group recorded reversal of impairment losses on financial assets of RM0.27 million for the FYE 2019 and incurred net impairment losses on financial assets of RM0.24 million for the FYE 2021. The breakdown of which for the Financial Years Under Review is as follows:

	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Impairment losses on trade receivables	-	-	-	-	239	100.00
(Reversal of impairment losses on trade receivables)	(267)	100.00	-	-	-	-
Total	(267)	100.00	-	-	239	100.00

Commentary:Comparison between FYE 2019 and FYE 2020

For the FYE 2020, our Group does not have any impairment losses nor reversal of impairment losses on financial assets. Our Group recorded reversal of impairment losses on trade receivables of RM0.27 million for the FYE 2019 mainly due to lower assessment of expected credit loss in accordance with Malaysian Financial Reporting Standards ("MFRS") 9 after taking into consideration the loss given default and probability of default assigned, and are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

Comparison between FYE 2020 and FYE 2021

For the FYE 2021, our Group incurred net impairment losses on trade receivables of RM0.24 million (FYE 2020: nil) due to higher assessment of expected credit loss in accordance with MFRS 9 after taking into consideration the impact of Covid-19 and MCO, global economy and longer trade receivables turnover period during the FYE 2021.

11. FINANCIAL INFORMATION (Cont'd)**(i) Income Tax Expense**

The breakdown of our income tax expense for the Financial Years Under Review is set out below:

	<-----Audited----->		
	FYE 2019	FYE 2020	FYE 2021
Income tax expense (RM'000)	3,464	2,677	2,358
Effective tax rate (%)	25.83	26.35	30.70
Statutory tax rate (%)	24.00	24.00	24.00

Our Group's effective tax rate was 25.83%, 26.35% and 30.70% for the FYE 2019, FYE 2020 and FYE 2021, respectively.

Our effective tax rate for the FYE 2019 was 25.83% and higher than the statutory tax rate mainly due to under provision of deferred tax in the previous financial year and non-deductible expense which include among others, professional and legal expenses, entertainment and travelling expenses. However, such higher tax expense was partly offset with the non-taxable income mainly arising from the compensation received from the machinery supplier during the FYE 2019 and overprovision of tax expense in the previous financial year.

Our effective tax rate for the FYE 2020 was 26.35% and higher than the statutory tax rate mainly due to non-deductible expense which included among others, inventories written down, professional and legal expenses, entertainment and travelling expenses.

Our effective tax rate for the FYE 2021 was 30.70% and higher than the statutory tax rate mainly due to under provision of tax expense in the previous financial year and the non-deductible expense which included among others, impairment loss on trade receivables, inventories written down, professional and legal expenses, entertainment and travelling expenses.

(j) PBT, PBT margin, PAT and PAT margin

Our Group recorded PBT of RM13.41 million, RM10.16 million and RM7.68 million for the FYE 2019, FYE 2020 and FYE 2021, respectively. In addition, we recorded PAT of RM9.95 million, RM7.48 million and RM5.32 million for the FYE 2019, FYE 2020 and FYE 2021, respectively. The decrease in our PBT and PAT during the Financial Years Under Review was mainly due to lower GP recorded.

	<-----Audited----->		
	FYE 2019	FYE 2020	FYE 2021
PBT (RM'000)	13,409	10,161	7,682
PAT (RM'000)	9,945	7,484	5,324
PBT margin (%)	16.82	13.34	12.11
PAT margin (%)	12.48	9.82	8.39

Commentary:**Comparison between FYE 2019 and FYE 2020**

For the FYE 2020, our Group recorded a decrease in PBT by RM3.25 million or 24.24% to RM10.16 million (FYE 2019: RM13.41 million) and a decrease in PAT by RM2.47 million or 24.82% to RM7.48 million (FYE 2019: RM9.95 million). The decrease in both PBT and PAT was mainly due to lower GP recorded as explained in Section 11.3.2(b) above as well as a decrease in other income by RM1.20 million recorded in the FYE

11. FINANCIAL INFORMATION (Cont'd)

2020, higher administrative expenses incurred and higher effective tax rate incurred for the FYE 2020. As a result, our PBT margin decreased from 16.82% for the FYE 2019 to 13.34% for the FYE 2020. Correspondingly, our PAT margin also decreased from 12.48% for the FYE 2019 to 9.82% for the FYE 2020.

Comparison between FYE 2020 and FYE 2021

For the FYE 2021, our Group recorded a decrease in PBT by RM2.48 million or 24.41% to RM7.68 million (FYE 2020: RM10.16 million) and a decrease in PAT by RM2.16 million or 28.88% to RM5.32 million (FYE 2020: RM7.48 million). The decrease in both PBT and PAT was mainly due to lower GP and GP margin recorded as explained in Section 11.3.2(b) above. As a result and coupled with the higher effective tax rate recorded for the FYE 2021, our PBT margin decreased from 13.34% for the FYE 2020 to 12.11% for the FYE 2021. Correspondingly our PAT margin also decreased from 9.82% for the FYE 2020 to 8.39% for the FYE 2021.

11.3.3 Significant factors materially affecting our operations and financial results

Our business operations and financial conditions have been and will continue to be affected by factors including, but not limited to, the following:

(a) Demand and supply condition

Our business, performance and results of operations are dependent on the demand and supply condition of the active fire protection equipment industry in Malaysia. The demand for our active fire protection equipment is dependent on the economic activities and conditions, the performance of the building construction and property development industries which includes building construction, civil engineering and specialised construction. New buildings in residential, commercial, industrial, infrastructure and public amenities and facilities will contribute to the demand for active fire protection systems and equipment as well as the regulatory framework in Malaysia which specified that every designated premises (except for single private dwellings and public religious worship areas) must have adequate fire safety, prevention and protection, and fire-fighting facilities. In addition, the requirement to have a portable fire extinguisher in private dwellings and apartments and flats that fall under the prescribed categories was subsequently incorporated into the UBBL of certain states by way of gazettes namely Selangor, Penang, Terengganu and Melaka in 2012, 2016, 2013 and 2019, respectively.

As such, any slowdown or adverse development in the Malaysian and global economy as well as the prolonged recovery of the building construction and property development industries will limit the demand for our products and our business growth opportunities, and thus adversely affecting our financial performances. The increase in the public awareness of the fire safety and changes in the regulatory framework in Malaysia where the implementation of stringent regulations for fire protection in buildings, are expected to fuel the demand for our active fire protection equipment.

Please refer to Sections 7 and 8 of this Prospectus for further details on the demand and supply conditions in relation to the active fire protection equipment industry in Malaysia and the associated risk factors.

(b) Fluctuation in the prices of our input materials and goods for distribution

Materials cost for our assembly, manufacturing and distribution activities are the main component of our cost of sales, representing more than 90% of our cost of sales for the Financial Years Under Review. Such input materials which we use for our assembly and manufacturing activities and the goods for our distribution mainly comprise parts and components made of steel which are subject to fluctuations according to the global commodity prices. The value of purchases of input materials with parts and components made mainly of steel constitutes approximately 38.02%, 39.24% and 40.16% of our total cost of sales for the FYE 2019, FYE 2020 and FYE 2021, respectively.

11. FINANCIAL INFORMATION (Cont'd)

Between 2017 and 2019, global steel prices ranged between US\$418/tonne and US\$637/tonne, with an average price of US\$538/tonne. In 2020, global steel prices dipped to their lowest since 2017 at US\$385/tonne on 11 May 2020. Since then, global steel prices have been increasing and reached an all-time high of US\$1,100/tonne on 24 May 2021, before subsequently falling to US\$890/tonne on 25 October 2021. Please refer to Section 4.3 of the Industry Overview in this Prospectus for further details on the global steel conditions and prices.

Hence, any fluctuations in the prices of our input materials and goods for distribution would affect our cost of sales as well as our financial performance.

Nevertheless, we constantly monitor the movement of the commodity prices and ensure our suppliers regularly keep us informed of the demand and supply condition and price trends in order for us to plan ahead for our procurement decision and pricing strategy to pass on any increase in our cost of sales to customers. Please refer to Section 8.1.5 of this Prospectus for further details on the risk factors.

(c) Competition

Our Group is operating as an assembler, manufacturer and distributor of active fire protection systems, equipment and accessories for built environment and thus we are subject to competition from other operations who are involved in the assembly, distribution and manufacturing of active fire protection equipment in terms of pricing, branding, range, specification and quality of products offered, customers service and others. According to the IMR and as at 18 May 2021, there were 226 industry operators registered with the Malaysian Fire Protection Association, of which 143 members were involved in the active fire protection equipment related activities.

Nevertheless, our competitive advantages and key strengths have enabled us to compete effectively in the industry that we are operating in, which include the following:

- (i) we have an established track record of approximately 24 years as a provider of fire protection systems, equipment and accessories which will serve as a platform to grow our business;
- (ii) we have our brands of fire protection systems, equipment and accessories to cultivate customer loyalty and brand recognition;
- (iii) we are an assembler and manufacturer of our brands of fire protection systems and equipment;
- (iv) we market a range of fire protection systems, equipment and accessories to meet the diverse needs of our customers;
- (v) we are an authorised distributor of third-party brands of fire protection systems, equipment and accessories;
- (vi) our fire protection systems, equipment and accessories are used in diverse sectors which will provide us with business growth and opportunities;
- (vii) the fire protection systems, equipment and accessories that we assemble, distribute and manufacture are critical products mandated by various regulatory bodies; and
- (viii) we have experienced Directors and key management team to grow our business.

11. FINANCIAL INFORMATION (Cont'd)

We will continue to take measures to maintain our competitiveness through our competitive advantages and key strengths set out in Section 6.1.2 of this Prospectus. However, there is no assurance that our business, performance and results of operations will not be materially and adversely affected if we are unable to do so. Please refer to Sections 7 and 8 of this Prospectus for further details on the competitive analysis on the assembly, distribution and manufacturing of active fire protection equipment in Malaysia and the associated risk factors.

(d) Impact of COVID-19 outbreak and MCOs on business, results of operations and/or financial performance of our Group

As our business was deemed as essential services as prescribed by MITI, we were allowed to operate subject to complying the relevant SOP and guidelines issued by MITI during the various MCO periods. Save and except for the period of MCO 1.0 which took effect from 18 March 2020 until 3 May 2020 and the EMCO in Selangor which took effect on 3 July 2021 until 16 July 2021 in which we temporary closed our operations, we conducted our business operations as normal according to the established SOP and guidelines.

However, our customers mainly comprise the M&E contractors, FPS contractors, and FPS maintenance service providers, majority of which are operating or involved in the building construction and property development industries, where they are engaged as part of new building construction and remodelling or renovations. Our customers have and/or are encountering certain extent of disruptions or delay in their projects due to the containment measures arising from the COVID-19 pandemic. In relation thereto, we experienced slowdown in new orders and reschedule of delivery of our products by customers which adversely affected the demand for our products and sales during the FYE 2021.

There can be no assurance that the COVID-19 pandemic, MCO and/or any social and economic restrictive measures to be imposed by the Government may be prolonged or may worsen in the future which may consequently result in interruptions to our Group's business and operations and thus have a material adverse impact on our results of operations and financial performance. Please refer to Section 8.1.2 of this Prospectus for further details on the risks pertaining to the COVID-19 pandemic.

(e) Impact of interest rates

As at 31 March 2021, our Group's total borrowings of RM16.98 million consist of term loans, lease liabilities and bankers' acceptances at the interest rates ranging from 3.25% to 8.35% per annum. The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Effects on PAT			
Increase of 77 basis points (2020: 65 basis points and 2019: 2 basis points)	(2)	(64)	(97)
Decrease of 77 basis points (2020: 65 basis points and 2019: 2 basis points)	2	64	97

11. FINANCIAL INFORMATION (Cont'd)

77 basis point was a reasonably possible change in the interest rate for bank borrowings, by taking in consideration the historical change of BLR of Bank Negara Malaysia in 1 year time as shown below:

	March 2020 %	March 2021 %	Variance %
BLR	6.26	5.49	- 0.77

Our Group's objective in managing our interest rate expenses is to ensure an acceptable level of exposure to interest rate fluctuations. As at the LPD, our borrowings have fixed and determinable payments. Save for the lease liabilities, which are charged on a fixed rate, the interest rates for our term loans and bankers' acceptances are based on the prevailing bank's base lending rate or cost of funds plus or minus a margin agreed upon by our bankers when the respective loans and financings were granted.

There is no material impact from the fluctuations in interest rates on our profits for the Financial Years Under Review. However, any hikes in interest rates would raise the cost of borrowings which may have an adverse effect on our financial performance. The sensitivity analysis for interest rate risk is set out in the Accountants' Report under Section 12 of this Prospectus.

(f) Impact of foreign exchange

Our sales are primarily denominated in RM and USD whilst our purchases are transacted primarily in RM, USD and SGD. As such, we are exposed to foreign currency risk and any unfavourable foreign currency exchange rate fluctuation may materially affect our business operations and financial performance.

For information purposes, the breakdown of our revenue and purchases transacted in RM and other currencies for the FYE 2019, FYE 2020 and FYE 2021 are summarised as follows:

	<-----Audited----->					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
RM	78,702	98.75	75,423	98.99	62,619	98.70
USD	997	1.25	771	1.01	825	1.30
Total revenue	79,699	100.00	76,194	100.00	63,444	100.00
RM	12,575	24.75	12,470	24.15	10,537	25.28
USD	38,215	75.22	39,157	75.83	31,126	74.68
SGD	15	0.03	13	0.02	19	0.04
Total purchases	50,805	100.00	51,640	100.00	41,682	100.00

The impact of foreign exchange fluctuations on our financial performance during the Financial Years Under Review, which arose due to timing differences between our suppliers' invoices and actual payments to our suppliers, are as follows:

	<-----Audited----->		
	FYE 2019	FYE 2020	FYE 2021
Net gain/(loss) on foreign exchange (RM'000)	(197)	(318)	109

11. FINANCIAL INFORMATION (Cont'd)

	<-----Audited----->		
	FYE 2019	FYE 2020	FYE 2021
As a percentage of PBT (%)	(1.47)	(3.13)	1.42

We closely monitor the movement of the USD against RM to manage our foreign exchange currency risks and if the need arises, we may enter into hedging arrangement to minimise the impact of such risk.

We have not incurred any material losses arising from foreign currency translation for the Financial Years Under Review.

(g) Impact of inflation

There was no material impact of inflation on our Group's financial results for the FYE 2019, FYE 2020 and FYE 2021. Nevertheless, there can be no assurance that future inflation would not have a material impact on our business and performance.

(h) Impact of government/economic/fiscal/monetary policies

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 8.2.2 of this Prospectus. Save as disclosed in Sections 7, 8 and 11 of this Prospectus, there are no government, economic, fiscal or monetary policies or factors that have materially impacted our historical profits for the FYE 2019, FYE 2020 and FYE 2021.

11.3.4 Liquidity and capital resources

Our operations are funded through cash generated from our operating activities, credit extended by our suppliers, credit facilities granted by financial institutions as well as our existing cash and bank balances.

As at 31 March 2021, our Group has cash and bank balances of RM3.69 million, available credit facilities of RM26.00 million, of which RM21.82 million has yet to be utilised and working capital of RM34.85 million, being the difference between current assets of RM49.25 million and current liabilities of RM14.40 million.

Based on the above and after taking into consideration of our funding requirements for our committed capital expenditure, existing level of cash and bank balances, expected cash flows to be generated from our operations, credit facilities available, the impact of COVID-19 and MCO on our operations, dividends declared and paid for the FYE 2021 and the estimated net proceeds from the Public Issue, our Board confirms that we will have sufficient working capital for a period of 12 months from the date of this Prospectus.

Cash flow

The table below sets out the summary of our Group's historical audited combined statements of cash flows for the Financial Years Under Review:

	<-----Audited----->		
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Net cash from operating activities	15,263	4,927	11,243
Net cash for investing activities	(635)	(346)	(46)
Net cash for financing activities	(12,003)	(4,480)	(9,577)

11. FINANCIAL INFORMATION (Cont'd)

	<-----Audited----->		
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Net increase in cash and cash equivalents	2,625	101	1,620
Cash and cash equivalents at beginning of the financial years	(653)	1,972	2,073
Cash and cash equivalents at end of the financial years	1,972	2,073	3,693

There are no legal, financial or economic restrictions on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends, loans or advances, subject to availability of distributable reserves and compliance with financial covenants.

Commentary:**NET CASH FROM OPERATING ACTIVITIES****FYE 2019**

For the FYE 2019, our operating cash flows before working capital changes were RM16.06 million. After adjusting for the following key items, our net cash from operating activities was RM15.26 million:

- (i) increase in inventories by RM0.13 million due to higher purchases of goods for distribution which was partly offset by the decrease in finished goods and input materials;
- (ii) decrease in trade and other receivables by RM2.95 million mainly due to improving collection from customers following the implementation of more stringent credit policy;
- (iii) decrease in trade and other payables by RM0.31 million due to prompt repayment to our suppliers; and
- (iv) payment of income tax of RM3.31 million.

FYE 2020

For the FYE 2020, our operating cash flows before working capital changes were RM12.61 million. After adjusting for the following key items, our net cash from operating activities was RM4.93 million:

- (i) increase in inventories by RM3.34 million due to higher purchases of goods for distribution following the notification by our suppliers of their intention to revise the selling prices;
- (ii) decrease in trade and other receivables by RM0.76 million mainly due to prompt repayment from our customers;
- (iii) decrease in trade and other payables by RM1.83 million mainly due to prompt repayment to our suppliers in line with the better collection during the FYE 2020; and
- (iv) payment of income tax of RM3.27 million.

11. FINANCIAL INFORMATION (Cont'd)

FYE 2021

For the FYE 2021, our operating cash flows before working capital changes were RM9.67 million. After adjusting for the following key items, our net cash from operating activities was RM11.24 million:

- (i) increase in inventories by RM0.98 million due to higher purchases of input materials and goods for distribution in anticipation for the price hike;
- (ii) increase in trade and other receivables by RM0.30 million mainly due to the delay in payment by our customers amidst the COVID-19 pandemic and higher prepayment made for overseas supplier to lock in the price for input materials which was recorded as other receivables;
- (iii) increase in trade and other payables by RM5.03 million which was due to higher credit purchases of input materials and goods for distribution closer to the end of the FYE 2021; and
- (iv) payment of income tax of RM2.18 million.

NET CASH FOR INVESTING ACTIVITIES
FYE 2019

Our Group recorded net cash for investing activities of RM0.64 million for the FYE 2019. This was mainly attributed to the purchases of motor vehicles, machinery and equipment amounted to RM0.93 million which was partly offset with the proceeds from the disposal of motor vehicles of RM0.29 million. The machinery and equipment comprise, among others, ultraviolet printer, refilling and related accessories and enterprise resource planning ("ERP") system software. The purchase of motor vehicles was to replace the old vehicle fleet for Directors and management.

FYE 2020

Our Group recorded net cash for investing activities of RM0.35 million for the FYE 2020. This was mainly attributed to the purchases of motor vehicle, machinery and equipment amounted to RM0.40 million which was partly offset with the proceeds from the disposal of a motor vehicle amounted to RM0.05 million. The machinery and equipment comprise, among others, IT hardware and software, office accessories and other firefighting testing and related accessories. The purchase of motor vehicles was to replace the old vehicle fleet for Directors and management.

FYE 2021

Our Group recorded net cash for investing activities of RM0.05 million for the FYE 2021. This was mainly attributed to the purchases of warehouse equipment, equipment and furniture and fittings amounted to RM0.23 million and addition of motor vehicle amounted to RM0.20 million which was partly offset with the proceeds from the disposal of motor vehicles amounted to RM 0.38 million. The warehouse equipment comprises, among others, machines for the assembly and other general manufacturing usage whereas the equipment comprises multifunction printer and other computer accessories. The purchase of motor vehicles was to replace the old vehicle fleet for Directors and management.

11. FINANCIAL INFORMATION (Cont'd)

NET CASH FOR FINANCING ACTIVITIES
FYE 2019

Our Group recorded net cash for financing activities of RM12.00 million mainly due to the following:

- (i) payment of interest expense of RM0.78 million;
- (ii) repayment of bankers' acceptance which was used to finance the overseas purchases of input materials, hire purchase obligations mainly in respect of the financing for motor vehicles and term loan instalments for the purchase of land and construction of our existing Operational Facility in Shah Alam, Selangor of RM4.78 million;
- (iii) net advance payment made to the flexi-term loans of RM2.00 million; and
- (iv) dividend payment of RM4.58 million in respect of the FYE 2019.

The outflow was partly offset by the proceeds from issuance of shares of RM0.10 million in UDI and advances from directors of RM0.04 million to fund the initial operations of UDI.

FYE 2020

Our Group recorded net cash for financing activities of RM4.48 million mainly due to the following:

- (i) payment of interest expense of RM0.63 million;
- (ii) repayment of bankers' acceptance which was used to finance the overseas purchases of input materials, lease liabilities for motor vehicles and term loan instalments for the purchase of land and construction of our existing Operational Facility in Shah Alam, Selangor of RM2.35 million;
- (iii) dividend payment of RM5.18 million in respect of the FYE 2020; and
- (iv) repayment of advances from director of RM0.05 million granted in the FYE 2019. Henceforth, the advances are fully repaid.

The outflow was partly offset by the proceeds from issuance of shares of RM0.20 million in UDI and net withdrawal of RM3.53 million from the advance payment made to the flexi-term loan in the previous financial years.

FYE 2021

Our Group recorded net cash for financing activities of RM9.58 million mainly due to the following:

- (i) payment of interest expense of RM0.40 million;
- (ii) repayment of lease liabilities for motor vehicles and term loan instalments for the purchase of land and construction of our existing Operational Facility in Shah Alam, Selangor of RM0.83 million; and
- (iii) dividend payment of RM1.00 million in respect of the FYE 2020 and RM11.50 million in respect of the FYE 2021.

The outflow was partly offset by the proceeds from issuance of shares of RM0.15 million in UDI and drawdown of bankers' acceptance of RM4.00 million to finance the overseas purchases of input materials.

11. FINANCIAL INFORMATION (Cont'd)**11.3.5 Borrowings**

As at 31 March 2021, our total outstanding borrowings amounted to RM16.98 million comprising lease liabilities, bankers' acceptance and term loans, can be analysed further as follows:

Type of borrowings	Purpose	Tenure	Interest rates (per annum)	Payable within 12 months RM'000	Payable after 12 months RM'000	Total RM'000
Lease liabilities	To purchase motor vehicles	1 to 3 years	3.78% to 8.35%	279	171	450
Bankers' acceptance	To finance the overseas purchases of input materials	120 days	3.25% to 3.59%	4,184	-	4,184
Term loans	To finance purchase of land and construction of our existing Operational Facility in Shah Alam, Selangor	8 to 13 years	BLR ^ – 1.80%	997	11,345	12,342
Bank overdraft	To finance working capital	Repayable on demand	5.95% to 6.64%	-	-	-
Total borrowings				5,460	11,516	16,976
Gearing ratio as at 31 March 2021 (times)*						0.34

Note:

^ Bank's Base Lending Rate prescribed by the bank from time to time, currently at 5.47%

* Computed based on total borrowings over our pro forma shareholders' equity (after the Acquisition of UFI and UDI but before the Public Issue and use of proceeds) as at 31 March 2021 of RM50.60 million.

The maturity profile of our total outstanding borrowings as at 31 March 2021 is set out below:

	RM'000
Under 1 year	5,460
1 to 5 years	4,513
More than 5 years	7,003
Total borrowings	16,976

As at the LPD, all our bank borrowings are secured, interest bearing and denominated in RM. Our credit facilities are secured by legal charge over certain property, plant and equipment of our Group and/or joint and several guarantees by certain of our Directors of which would be replaced with our Company's corporate guarantees after our Listing. We have not defaulted on any payment of either principal sum and/or interest in relation to our borrowings during the Financial Years Under Review and up to the LPD. We also do not encounter any seasonality in our borrowings trend and there is no restriction on our committed borrowing facilities.

11. FINANCIAL INFORMATION (Cont'd)

The banking facilities available to our Group include bankers' acceptance, bank overdraft, lease liabilities and term loan, which are generally used for working capital purposes, purchase of motor vehicles and land and buildings.

As at the LPD, we have not breached any terms and conditions or covenants associated with our credit arrangements or bank borrowings, which can materially affect our business operations, financial position or results of operations or the investment by holders of securities in our Group.

11.3.6 Type of financial instruments used

As at the LPD, save for bank borrowings as disclosed in Section 11.3.5 of this Prospectus, we do not use any other financial instruments.

For clarity purposes, the financial instruments of our Group which are used in the ordinary course of business, from an accounting perspective, may include financial assets such as cash and cash equivalents, and trade and other receivables, as well as financial liabilities such as borrowings, lease obligations and trade and other payables. These are shown in the combined statements of financial position of our Group.

As at the LPD, we do not use any financial instrument for hedging purposes.

11.3.7 Treasury policies and objectives

We finance our operations through internally generated funds as well as external sources of funds, such as shareholders' funds, credit term from suppliers as well as credit facilities from financial institutions.

The primary objective of our financial management and treasury policies is to maintain sufficient working capital at all times and ensure our ability to support and grow our business in order to maximise shareholders' value. We review and manage our capital structure to maintain its debt-to-equity ratio at an optimal level based on the business requirements and prevailing economic conditions.

Our Group has not entered into any interest rate swap to hedge against fluctuations in interest rates. Our Group manage its exposure to interest rate movements by obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

11.3.8 Material commitment

As at the LPD, our Board confirms that there are no material commitment which upon becoming enforceable, may have a material impact on the financial position of our Group.

11.3.9 Material contingent liabilities

As at the LPD, our Board is not aware of any contingent liabilities, which upon becoming enforceable may have a material impact on the financial performance and position of our Group.

11.3.10 Material litigation

As at the LPD, our Group is not engaged in any litigation, claims or arbitration, either as plaintiff or defendant, which may have a material and/or adverse effect on the financial position or business of our Group.

11. FINANCIAL INFORMATION (Cont'd)

11.4 KEY FINANCIAL RATIOS

The key financial ratios of our Group are as follows:

	<-----Audited----->		
	FYE 2019	FYE 2020	FYE 2021
Average trade receivables turnover period (days)	112	112	132
Average trade payables turnover period (days)	25	17	32
Average inventories turnover period (days)	111	126	161
Current ratio (times)	5.11	7.91	3.42
Gearing ratio (times)	0.22	0.24	0.34

Trade receivables

A summary of our trade receivables for the Financial Years Under Review is set out below:

	<-----Audited----->		
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Revenue ⁽¹⁾	79,699	76,194	63,444
Average trade receivables ⁽²⁾	24,333	23,182	22,940
Average trade receivables turnover period (days) ⁽³⁾	112	112	132

Notes:

(1) The percentage of sales revenue under cash term and credit term are as follows:

	<u>FYE 2019</u>	<u>FYE 2020</u>	<u>FYE 2021</u>
Cash Term	*	0.62%	0.14%
Credit Term	100.0%	99.38%	99.86%

(2) Average trade receivables was derived based on the average sum of the opening balances and closing balances of net trade receivables of the respective financial years.

(3) Computed based on net average trade receivables of the respective financial years over the revenue of the respective financial years, multiplied by 365 days.

* Negligible

The credit period granted to our customers ranges from 7 days to 120 days from the date of invoice. Other credit terms to our customers are assessed and approved on a case-by-case basis by taking into consideration various factors such as the business relationship with our customers, the customers' payment history, creditworthiness and transaction volume as well as any reasons resulting in our customers unable to pay within the normal credit period while new customers are subject to our credit verification and assessment process.

Our average trade receivables turnover period stood at 112 days for the FYE 2019 and FYE 2020 which fell within our normal credit period. For the FYE 2021, our average trade receivables turnover period increased to 132 days mainly due to delay in payment from certain customers which include 2 of our major customers, namely Potential Systems Sdn Bhd and Kejuruteraan Cekap Selaju Sdn Bhd, amid the COVID-19 pandemic period.

11. FINANCIAL INFORMATION (Cont'd)

As at 31 March 2021, the net trade receivables of our Group amounted to RM22.81 million, the ageing analysis in respect of trade receivables are analysed as follows:

	Within credit period RM'000	<-----Exceed credit period by----->				Total RM'000
		1 – 30 days RM'000	31 – 60 days RM'000	61 – 90 days RM'000	> 90 days RM'000	
Trade receivables	13,739	2,244	3,035	862	3,647	23,527
Less: Impairment losses	(144)	(83)	(101)	(55)	(331)	(714)
Net trade receivables	13,595	2,161	2,934	807	3,316	22,813
 % of total net trade receivables	 59.59	 9.47	 12.86	 3.54	 14.54	 100.00
 Subsequent collections up to the 11 February 2022	 12,938	 2,059	 2,934	 805	 3,316	 22,052
Outstanding net trade receivables	657	102	-	2	-	761

Our total net trade receivables stood at RM22.81 million as at 31 March 2021, out of which RM9.22 million or approximately 40.41% exceeded the normal credit term mainly due to slower collection amid the COVID-19 pandemic. As at 11 February 2022, we have collected RM22.05 million or 96.66% of the total net trade receivables as at 31 March 2021.

As part of our credit control policy, we closely monitor our ageing report and assess the collectability of trade receivables on an individual customer basis regularly. For any trade receivables which have exceeded the normal credit period granted by more than 30 days, we will follow up with calls and send reminders and where appropriate, provide for specific impairment on those trade receivables where recoverability is uncertain based on our dealings with the customers.

We are in the process of collecting the remaining amount of RM0.76 million. Notwithstanding the above, our Board is of the opinion that the remaining outstanding net trade receivables are recoverable and no further impairment of trade receivables is required after taking into consideration these customers' credentials and financial standings, our relationship with them and historical payment track record where they have never defaulted on payment throughout our business relationship with them which span over more than five (5) years. In addition, we have not encountered any major disputes with our customers. With respect to overdue debts, we have generally been able to collect the outstanding amount eventually.

Trade payables

A summary of our trade payables for the Financial Years Under Review is set out below:

	<-----Audited----->		
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Cost of sales	56,578	54,032	46,753
Average trade payables ⁽¹⁾	3,837	2,499	4,019
Average trade payables turnover period (days) ⁽²⁾	25	17	32

11. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) Average trade payables was derived based on the average sum of the opening balances and closing balances of trade payables of the respective financial years.
- (2) Computed based on average trade payables of the respective financial years over the cost of sales of the respective financial years, multiplied by 365 days.

The normal credit period extended by our suppliers ranges from 30 days to 60 days.

Our average trade payables turnover period for the Financial Years Under Review range from 17 days to 32 days which fell within the credit period extended by our suppliers to us. It is our practice to make prompt payments to our suppliers in order to safeguard the continuity of supplies at more favourable terms and pricing. As compared to FYE 2020 with FYE 2019, the average trade payables turnover for the FYE 2020 is lower due to payment made to one of our major suppliers in March 2020 in accordance with the credit terms given, resulting in lower trade payables balance and eventually lower trade payable period for the FYE 2020.

As at 31 March 2021, the trade payables of our Group amounted to RM6.84 million, the ageing of which are analysed as follows:

	Within credit period RM'000	<-----Exceed credit period by----->				Total RM'000
		1 – 30 days RM'000	31 – 60 days RM'000	61 – 90 days RM'000	> 90 days RM'000	
Trade payables	4,895	1,948	*	-	-	6,843
% of total trade payables	71.53	28.47	*	-	-	100.00
Subsequent payments up to the LPD	4,895	1,948	*	-	-	6,843
Outstanding trade payables	-	-	-	-	-	-

Note:

* Less than RM1,000.

As at the LPD, we have settled all of our outstanding trade payables. There is no dispute in respect of our trade payables and no legal action has been initiated by our suppliers to demand for payment from us during the Financial Years Under Review.

Inventories

A summary of our inventories for the financial years under review is set out below:

	<-----Audited----->		
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Cost of sales	56,578	54,032	46,753
Average inventories ⁽¹⁾	17,077	18,614	20,585
Average inventories turnover period (days) ⁽²⁾	111	126	161

11. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) Average inventories was derived based on the average sum of the opening balances and closing balances of inventories of the respective financial years.
- (2) Computed based on average inventories of the respective financial years over the cost of sales of the respective financial years, multiplied by 365 days.

Our inventories comprised the following:

	<-----Audited----->		
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Raw materials ⁽¹⁾	4,691	3,864	5,414
Work-in-progress ⁽²⁾	-	136	189
Finished goods ⁽³⁾	3,028	3,044	4,007
Trading goods ⁽⁴⁾	9,421	13,044	10,617
Goods-in-transit ⁽⁵⁾	-	-	854
Total inventories	17,140	20,088	21,081

Notes:

- (1) Raw materials consist mainly of input materials such as empty cylinders, steel coils and sheets, dry power, CO₂ and HFC-227ea, fire hose reel and fire hoses parts as well as other fire suppression systems parts and components that are used in our assembly and manufacturing activities.
- (2) Work-in-progress inventories are partially completed materials within the assembly and manufacturing cycle.
- (3) Finished goods consist of goods that have completed the assembly and manufacturing process which have yet to be sold or distributed to the customers such as the fire suppression systems, fire extinguishers and fire hose reel, etc.
- (4) Trading goods consist of goods procured from suppliers and/or manufacturers for onwards sale or distribution to our customers such as the sprinkler systems, wet and dry risers systems and hydrants, wet chemical fire suppression systems and fire protection accessories.
- (5) Goods-in-transit refers to trading goods that have been shipped by the suppliers but have yet to reach our warehouse based on the freight on board basis.

Our inventories are measured at the lower of cost and net realisable value. Due to the nature of our business and being the assembler and manufacturer as well as brand owner, it is our policy to maintain an adequate level of raw materials to reduce the risk of disruption to our assembly and manufacturing operations and certain buffer or level of finished and trading goods to ensure availability of stocks and varieties of products to meet our customers' demand at all times and delivery lead time requirements. In addition, Our Group will generally stock up more raw materials and trading goods during the period prior to the Chinese New Year period which usually falls in the month of January and February each year and thus resulting in higher inventories level during our financial year end.

11. FINANCIAL INFORMATION (Cont'd)

Our average inventories turnover period for the FYE 2019 was 111 days and increased to 126 days in the FYE 2020 mainly due to higher purchases of trading goods following the notification by our suppliers of their intention to increase the selling prices. Our average inventories turnover period further increased to 161 days in the FYE 2021 and this was mainly attributable to the strategic decision made by our management for our inventory planning in anticipation for the price hike and revision in raw materials and trading goods prices, as well as to cater for the expected increase in demand for our products upon the gradual reopening of the business activities nationwide after the improving COVID-19 situation.

Our inventories have long shelf life and the trend and models do not change frequently. Nevertheless, it is our Group's policy to assess the impairment of our slow moving inventories annually as follows:

- (i) 50% impairment for goods with stock aged more than 3 years;
- (ii) 75% impairment for goods with stock aged more than 4 years; and
- (iii) 100% impairment for goods with stock aged more than 5 years.

Refer to the above impairment guideline, goods with movement more than 25% (annual quantity) will not be classified for impairment assessment. We perform quarterly physical stock count on selected products as well as a full stock count annually to identify inconsistency in terms of quantity to the inventory system and slow moving inventories. Provisions will be made on slow moving inventories based on the abovementioned impairment policy. Our Group had written down RM0.39 million and RM0.05 million of slow moving inventories for the FYE 2020 and FYE 2021, respectively.

In addition, damaged and/or non-sellable inventories will be written-off in accordance with our inventory management policy. Damaged inventories are goods that are unrepairable upon quality assurance's verification while non-sellable inventories are goods that are obsolete and not expected to be sold in the future. There was no inventory written off for the FYE 2019 and FYE 2020. For the FYE 2021, our Group had written off RM0.33 million of non-sellable inventories.

Current ratio

A summary of our current ratio for the Financial Years Under Review is set out below:

	<-----Audited----->		
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Current assets	43,578	46,338	49,245
Current liabilities	8,523	5,857	14,400
Current ratio (times)	5.11	7.91	3.42

Current ratio measures the liquidity position of our Group to meet our short-term obligations. The liquidity position of our Group has been manageable and maintained relatively healthy as reflected in the current ratio for the Financial Years Under Review.

Our current ratio increased from 5.11 times as at 31 March 2019 to 7.91 times as at 31 March 2020. This was mainly attributable to the higher inventories level while we recorded lower outstanding trade payables as at 31 March 2020.

Our current ratio decreased from 7.91 times as at 31 March 2020 to 3.42 times as at 31 March 2021. This was mainly attributable to higher outstanding trade payables and short term borrowings to finance the purchase of inventories as well as dividend payout during the FYE 2021.

11. FINANCIAL INFORMATION (Cont'd)**Gearing ratio**

A summary of our gearing ratio for the financial years under review is set out below:

	<-----Audited----->		
	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000
Total borrowings	12,329	13,504	16,976
Shareholders' equity	55,119	56,625	50,599
Gearing ratio (times)	0.22	0.24	0.34

Our gearing ratio increased slightly from 0.22 times as at 31 March 2019 to 0.24 times as at 31 March 2020 mainly due to net withdrawal of advance payment made to the flexi-term loans for operational use. It is our Group's cash flow management strategy to make advance payments for the flexi-term loans when there is surplus cash available in order to reduce our finance costs. When cash is required from time to time, we will withdraw from such advance payments.

Our gearing ratio increased from 0.24 times as at 31 March 2020 to 0.34 times as at 31 March 2021 mainly due to higher utilisation of bankers' acceptance for the purchase of inventories from overseas and lower shareholders' equity following the dividend payout during the FYE 2021.

11.5 TREND INFORMATION

As at the LPD, to the best of the knowledge and belief of our Board, the financial conditions and operations of our Group have not been and are not expected to be affected by any of the following:

- (a) 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, operations liquidity and capital resources, other than those discussed in this section and in Sections 6 and 8 of this Prospectus;
- (b) material commitment for capital expenditure save as disclosed in Section 11.3.8 of this Prospectus;
- (c) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save for those that had been disclosed in this section and in Sections 6 and 8 of this Prospectus;
- (d) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our revenue and/or profits, save for those that had been discussed in this section and in Sections 6 and 8 of this Prospectus.
- (e) known circumstances, trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position, save for those that had been disclosed in this section and in Sections 6 and 8 of this Prospectus.

11.6 ORDER BOOK

Due to the nature of our business which is involved in the assembly, distribution and manufacture of active fire protection systems, equipment and accessories for built environment, our Group does not maintain an order book. We generate our revenue as and when we deliver our products based on purchase orders received.

11. FINANCIAL INFORMATION (Cont'd)

11.7 SIGNIFICANT CHANGES

Save for the prolonged COVID-19 pandemic and as disclosed in this Prospectus, there are no significant changes that have occurred, which may have a material effect on our financial position and results subsequent to the FYE 2021 and up to the LPD. Please refer to Section 6.17 of this Prospectus for further details on the impact of the prolonged COVID-19 pandemic on our business and financial performance.

11.8 DIVIDEND POLICY

It is our Directors' policy to allow our shareholders to participate in the profits of our Group as well as leaving adequate reserves for the future growth of our Group.

Notwithstanding the above, our Group presently does not have a fixed dividend policy. Our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained for working capital of our business. Our Directors will take into consideration, among others, the following factors when recommending dividends for approval by our shareholders or when declaring any dividends:

- (i) the availability of adequate reserves and cash flows. As an investment holding company, our income, and therefore our ability to pay dividends, depends on the dividends or other distributions received from our subsidiaries;
- (ii) our operating cash flow requirements and financing commitments;
- (iii) our anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans;
- (iv) our Company is solvent as the Act requires;
- (v) any material impact of tax laws and other regulatory requirements; and
- (vi) prior written consent from financial institutions, where required.

However, investors should note that the intention to recommend dividends should not be treated as a legal obligation on our Company to do so. The level of dividends should also not be treated as an indication of our Company's future dividend policy. There can be no assurance that dividends will be paid out in the future or on timing of any dividends that are to be paid in the future. In determining dividends in respect of subsequent financial years, consideration will be given to maximising shareholders' value. Save for certain financial covenants which UFI is subject to, there is no dividend restriction being imposed on our Group currently.

In addition, our ability to declare and pay interim dividends as well as to recommend final dividends are subject to the discretion of our Board. We will also need to obtain our shareholders' approval for any final dividend for the year. No inference should or can be made from any of the statements above as to our actual future profitability and our ability to pay dividends in the future.

Dividend payments, capital gains and profits from dealing in our Shares will not be subject to Malaysian taxation (not applicable to entities including companies with trading of shares as their principal business activity). No withholding tax is imposed on the above transactions. Potential investors are advised to consult their professional tax advisors if they are in any doubt as to the taxation implication of subscribing, holding or disposing of and dealing in our Shares.

11. FINANCIAL INFORMATION (Cont'd)

The dividends declared and paid for the past FYE 2019 to FYE 2021 are as follows:

	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000
Dividends declared	4,577	6,178	11,500
Dividends paid	4,577	5,178	* 12,500

Note:

- * Dividend paid in the FYE 2021 included RM1.00 million dividend declared in the FYE 2020 but paid out in the FYE 2021.

Save for the above, there are no dividends declared and paid during the Financial Years Under Review and up to the Listing.

11. FINANCIAL INFORMATION (Cont'd)

11.9 REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION



05 NOV 2021

The Board of Directors
Unique Fire Holdings Berhad
No. 9, Jalan Anggerik Mokara 31/55
Kota Kemuning, Seksyen 31
40460 Shah Alam
Selangor

Dear Sirs

UNIQUE FIRE HOLDINGS BERHAD ("UNIQUE FIRE" or "THE COMPANY") REPORT ON THE COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

We have completed our assurance engagement to report on the compilation of Pro Forma Statements of Financial Position of Unique Fire and its subsidiaries (the "Group") as at 31 March 2021 and the related notes (as set out in Appendix A which we have stamped for the purpose of identification) prepared by the Board of Directors of the Company for inclusion in the Prospectus in connection with the listing of and quotation for the entire enlarged issued share capital of Unique Fire on the ACE Market of Bursa Securities ("Bursa Securities") ("the Listing").

The applicable criteria on the basis of which the Board of Directors of the Company have compiled the Pro Forma Statements of Financial Position are described in the notes thereon to the Pro Forma Statements of Financial Position. The Pro Forma Statements of Financial Position is prepared in accordance with the requirements of Chapter 9 of the Prospectus Guidelines issued by the Securities Commission Malaysia ("the Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Statements of Financial Position issued by the Malaysian Institute of Accountants.

The Pro Forma Statements of Financial Position have been compiled by the Board of Directors of the Company to illustrate the impact of the events or transactions as set out in the notes thereon to the Pro Forma Statements of Financial Position as if the events have occurred or the transactions have been undertaken on 31 March 2021. As part of this process, information about the Group's financial position has been extracted by the Board of Directors of the Company from the Group's audited combined statements of financial position as at 31 March 2021.

THE BOARD OF DIRECTORS' RESPONSIBILITIES

The Board of Directors of the Company is responsible for compiling the Pro Forma Statements of Financial Position on the basis as set out in the notes thereon to the Pro Forma Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

Crowe Malaysia PLT

20190600005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

52 Jalan Kota Laksamana 2/15
Taman Kota Laksamana, Seksyen 2
75200 Melaka
Malaysia

Main +6 06 2825 995
Fax +6 06 2836 449

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11. FINANCIAL INFORMATION (Cont'd)**REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL**

We have complied with the independence and other ethical requirement of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standard Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The Firm applies International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control 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, about whether the Pro Forma Statements of Financial Position have been compiled, in all material respects, by the Board of Directors of the Company on the basis as set out in the notes thereon to the Pro Forma 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 Engagement (ISAE) 3420, *Assurance Engagement to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and 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 of the Company has compiled, in all material respects, the Pro Forma Statements of Financial Position on the basis set out in the notes thereon to the Pro Forma 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 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 Statements of Financial Position.

The purpose of the Pro Forma 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.

11. FINANCIAL INFORMATION (Cont'd)**REPORTING ACCOUNTANTS' RESPONSIBILITIES (CONT'D)**

A reasonable assurance engagement to report on whether the Pro Forma Statements of Financial Position have been compiled, in all material respects, on the basis set out in notes thereon to the Pro Forma Financial Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines, involving performing procedures to assess whether the applicable criteria used by the Board of Directors of the Company in the compilation of the Pro Forma Financial 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 Statements of Financial Position reflects 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 Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma 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, the Pro Forma Statements of Financial Position has been compiled, in all material respects, on the basis set out in the notes thereon to the Pro Forma 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 of inclusion in the Prospectus of Unique Fire, 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 report contrary to the aforesaid purpose.

Yours faithfully

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Melaka

05 NOV 2021

Piong Yew Peng
03070/06/2023 J
Chartered Accountant

11. FINANCIAL INFORMATION (Cont'd)

Appendix A

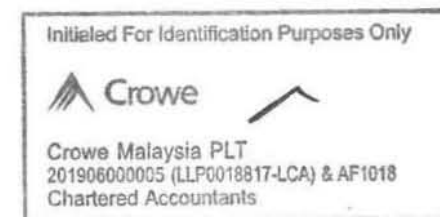
UNIQUE FIRE HOLDINGS BERHAD
PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

	NOTE	As At 31.3.2021* RM'000	Adjustment For Acquisition of UFI and UDI RM'000	Pro Forma I After Acquisition of UFI and UDI RM'000	Adjustment For Public Issue RM'000	Pro Forma II After Pro Forma I and Public Issue RM'000	Adjustment for Utilisation of Proceeds RM'000	Pro Forma III After Pro Forma II and Utilisation of Proceeds RM'000
ASSETS								
NON-CURRENT ASSET								
Property, plant and equipment		26,581	-	26,581	-	26,581	-	26,581
Right-of-use assets		963	-	963	-	963	-	963
		<u>27,544</u>		<u>27,544</u>		<u>27,544</u>		<u>27,544</u>
CURRENT ASSETS								
Inventories		21,081	-	21,081	-	21,081	-	21,081
Trade and other receivables		24,471	-	24,471	-	24,471	-	24,471
Cash and bank balances	6.1	3,693	#	3,693	[•]	[•]	[•]	[•]
		<u>49,245</u>		<u>49,245</u>		<u>[•]</u>		<u>[•]</u>
TOTAL ASSETS		<u>76,789</u>		<u>76,789</u>		<u>[•]</u>		<u>[•]</u>
EQUITY AND LIABILITIES								
EQUITY								
Share capital	6.2	-	50,599	50,599	[•]	[•]	[•]	[•]
Invested capital	6.3	9,455	(9,455)	-	-	-	-	-
Merger reserve	6.4	-	(41,144)	(41,144)	-	(41,144)	-	(41,144)
Retained profits	6.5	41,144		41,144	-	41,144	[•]	[•]
TOTAL EQUITY		<u>50,599</u>		<u>50,599</u>		<u>[•]</u>		<u>[•]</u>

Note:

(*) – Extracted from the Group's audited combined financial statements for the financial year ended 31 March 2021.

#) – Amount is less than RM500.



11. FINANCIAL INFORMATION (Cont'd)

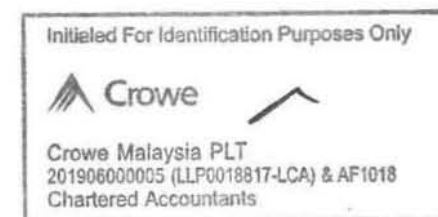
Appendix A

UNIQUE FIRE HOLDINGS BERHAD
PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021 (CONT'D)

	NOTE	As At 31.3.2021* RM'000	Adjustment For Acquisition of UFI and UDI RM'000	Pro Forma I After Acquisition of UFI and UDI RM'000	Adjustment For Public Issue RM'000	Pro Forma II After Pro Forma I and Public Issue RM'000	Adjustment for Utilisation of Proceeds RM'000	Pro Forma III After Pro Forma II and Utilisation of Proceeds RM'000
NON-CURRENT LIABILITIES								
Lease liabilities		171	-	171	-	171	-	171
Long-term borrowings		11,345	-	11,345	-	11,345	-	11,345
Deferred tax liabilities		274	-	274	-	274	-	274
		<u>11,790</u>		<u>11,790</u>		<u>11,790</u>		<u>11,790</u>
CURRENT LIABILITIES								
Trade and other payables		8,332	-	8,332	-	8,332	-	8,332
Lease liabilities		279	-	279	-	279	-	279
Short-term borrowings		5,181	-	5,181	-	5,181	-	5,181
Current tax liabilities		608	-	608	-	608	-	608
		<u>14,400</u>		<u>14,400</u>		<u>14,400</u>		<u>14,400</u>
TOTAL LIABILITIES		<u>26,190</u>		<u>26,190</u>		<u>26,190</u>		<u>26,190</u>
TOTAL EQUITY AND LIABILITIES		<u>76,789</u>		<u>76,789</u>		<u>76,789</u>		<u>76,789</u>
<i>Number of ordinary shares ('000)</i>		-		316,250		400,000		400,000
<i>Net assets ("NA") attributable to owners of the Company (RM'000)</i>		50,599		50,599		[•]		[•]
<i>NA per ordinary share (sen)</i>		-		16		[•]		[•]

Note:

(*) – Extracted from the Group's audited combined financial statements for the financial year ended 31 March 2021.



11. FINANCIAL INFORMATION (Cont'd)

Appendix A

**UNIQUE FIRE HOLDINGS BERHAD
NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021****1. ABBREVIATIONS**

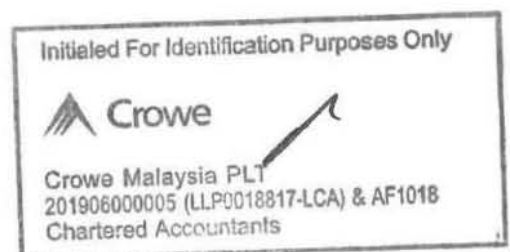
Unless the context otherwise requires, the following abbreviations shall apply throughout this report:-

Abbreviations

Unique Fire or the Company	Unique Fire Holdings Berhad Registration No: 202101013602 (1413901-D)
Unique Fire Group or the Group	Unique Fire, UFI and UDI, collectively
UFI	Unique Fire Industry Sdn. Bhd. Registration No: 199701003235 (418731-U)
UDI	Unique Digital Innovation Sdn. Bhd. Registration No: 201801000171 (1262183-U)
Listing	Admission of Unique Fire to the Official List of Bursa Securities and listing of and quotation for the entire enlarged issued share capital of Unique Fire on the ACE Market of Bursa Securities
Unique Fire Shares or Shares	Ordinary shares in Unique Fire
RM and Sen	Ringgit Malaysia and sen, respectively

2. INTRODUCTION

The Pro Forma Statements of Financial Position as at 31 March 2021 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 in connection with the Listing and should not be relied upon for any other purposes.



11. FINANCIAL INFORMATION (Cont'd)

Appendix A

UNIQUE FIRE HOLDINGS BERHAD
NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021
(CONT'D)

3. BASIS OF PREPARATION

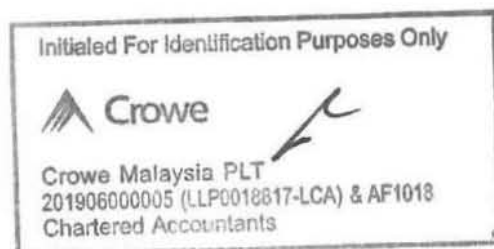
The Pro Forma Statements of Financial Position as at 31 March 2021 is prepared based on the audited combined financial statements of the Group as at 31 March 2021, which was prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards, and in a manner consistent with the format of the financial statements and accounting policies of the Group.

The combined financial statements used in the preparation of these Pro Forma Statements of Financial Position were not subject to any audit qualification or emphasis of matter.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Subsidiaries acquired which have met the criteria for proofing-of-interests are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the business combination has been effected throughout the current and previous financial years. The assets combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the differences between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to merger reserves or merger deficit.

The identifiable assets and liabilities of all commonly controlled entities are accounted for at their historical costs.

The Pro Forma Statements of Financial Position together with the related notes thereon, have been prepared solely to illustrate the impact of events and transactions set out in Note 5 to the Pro Forma Statements of Financial Position had the events occurred or transactions been undertaken on 31 March 2021. The Pro Forma Statements of Financial Position are not necessarily indicative of the financial positions that would have been attained had the Listing actually occurred at the respective dates.



11. FINANCIAL INFORMATION (Cont'd)

Appendix A

**UNIQUE FIRE HOLDINGS BERHAD
NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021
(CONT'D)****4. LISTING SCHEME**

In conjunction with, and as an integral part of the Listing, Unique Fire intends to undertake the following:-

4.1 Acquisition of UFI and UDI**(i) Acquisition of UFI**

Unique Fire had on 26 August 2021, entered into conditional shares sale agreement with Liew Sen Hoi, Lim Show Ching, Liew Kang Leong, Liew Kang Yee, Liew Kang Chin and Liew Kang Boon to acquire the equity interest in UFI:-

	Equity Interest (%)	Purchase Consideration RM	No. of shares issued by Unique Fire
UFI	100	50,529,280	315,808,000

The purchase consideration of UFI was arrived on a willing-buyer willing-seller basis, after taking into consideration the audited net assets of UFI as at 31 March 2021. The acquisition was completed on [●] and UFI became wholly-owned subsidiary of Unique Fire.

(ii) Acquisition of UDI

Unique Fire had on 26 August 2021, entered into conditional shares sale agreement with Liew Sen Hoi, Liew Kang Leong, Liew Kang Yee, Liew Kang Chin and Liew Kang Boon to acquire the equity interest in UDI:-

	Equity Interest (%)	Purchase Consideration RM	No. of shares issued by Unique Fire
UDI	100	70,080	438,000

The purchase consideration of UDI was arrived on a willing-buyer willing-seller basis, after taking into consideration the audited net assets of UDI as at 31 March 2021. The acquisition was completed on [●] and UDI became wholly-owned subsidiaries of Unique Fire.



11. FINANCIAL INFORMATION (Cont'd)

Appendix A

UNIQUE FIRE HOLDINGS BERHAD
NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021
(CONT'D)

4. LISTING SCHEME (CONT'D)

In conjunction with, and as an integral part of the Listing, Unique Fire intends to undertake the following:- (cont'd):-

4.2 Public Issue

The Public Issue of 83,750,000 new Shares, representing approximately 20.94% of the enlarged issued share capital of Unique Fire at an issue price of RM[●] per Share allocated in the following manner:-

- 20,000,000 new Shares will be made available for application by the Malaysian Public by way of balloting;
- 8,000,000 new Shares will be made available for application by the eligible directors, employees and persons who have contributed to the success of the Group;
- 5,750,000 new Shares will be made available for application by way of private placement to selected investors; and
- 50,000,000 new Shares will be made available for application by way of placement to identified Bumiputera investors approved by MITI.

4.3 Offer for Sale

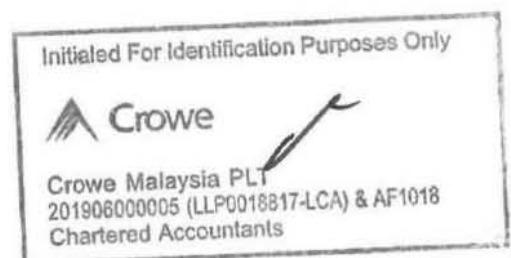
Offer for sale of 30,000,000 existing Shares at an issue price of RM[●] per Share by the Offeror by way of private placement to selected investors.

4.4 Share Transfer to Unique Fire Group Sdn Bhd ("UFG")

Transfer by the promoters, namely Liew Sen Hoi, Lim Show Ching, Liew Kang Leong, Liew Kang Yee, Liew Kang Chin and Liew Kang Boon (save for UFG) of an aggregate of 252,000,000 Shares to UFG, an investment holding company held by the Promoters (save for UFG), during the prescription period.

4.5 Listing

The admission of Unique Fire to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued share capital of Unique Fire of RM[●] comprising 400,000,000 Shares on the ACE Market of Bursa Securities.



11. FINANCIAL INFORMATION (Cont'd)

Appendix A

UNIQUE FIRE HOLDINGS BERHAD
NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021
(CONT'D)

5. PRO FORMA ADJUSTMENTS TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION

5.1 Pro Forma I

Pro Forma I incorporates the effects of Acquisition of UFI and UDI set out in Note 4.1 to the Pro Forma Statements of Financial Position.

5.2 Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and Public Issue set out in Note 4.2 to the Pro Forma Statements of Financial Position.

5.3 Pro Forma III

Pro Forma III incorporates the effects of Pro Forma II and the utilisation of proceeds from Public Issue. The proceeds from the Public Issue will be utilised as follows:-

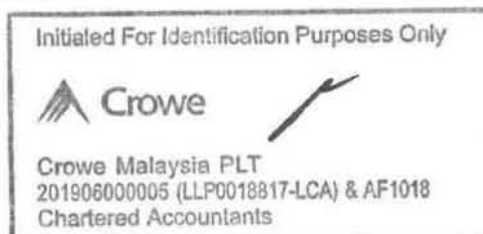
Purposes	Amount of proceeds		Estimated timeframe for utilisation from the date of Listing
	RM'000	%	
Expansion of manufacturing facilities #	[•]	[•]	Within 36 months
Expansion of geographical coverage #	[•]	[•]	Within 24 months
Expansion of operational capabilities #	[•]	[•]	Within 24 months
Working capital	[•]	[•]	Within 12 months
Estimated listing expenses *^	[•]	[•]	Within 3 months
	[•]	[•]	

Notes:-

These utilisation of proceeds are not adjusted in the Pro Forma III to the Pro Forma Statements of Financial Position as they are not factually supportable and hence, they are remained in the cash and bank balances.

* If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital

^ The estimated listing expenses of RM[•] directly attributable to the Public Issue will be offset against share capital and the remaining estimated listing expenses of RM[•] that attributable to Listing will be expensed off to profit or loss.



11. FINANCIAL INFORMATION (Cont'd)

Appendix A

**UNIQUE FIRE HOLDINGS BERHAD
NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021
(CONT'D)****6. EFFECTS ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION****6.1 Cash and bank balances**

	RM'000
As at 31 March 2021	3,693
Add: Allotment of shares in Unique Fire As per Pro Forma I	# 3,693
Add: Proceeds from public issue As per Pro Forma II	[•] [•]
Less: Estimated listing expenses	[•]
As per Pro Forma III	[•]

Note:-

Amount is less than RM500.

6.2 Share capital

	Number of Ordinary Shares '000	Amount of Share Capital RM'000
As at 31 March 2021	-	-
Add: Allotment of shares in Unique Fire	4	#
Add: Acquisition of UFI	315,808	50,529
Add: Acquisition of UDI	438	70
As per Pro Forma I	316,250	50,599
Add: Public Issue	83,750	[•]
As per Pro Forma II	400,000	[•]
Less: Estimated listing expenses ^	-	[•]
As per Pro Forma III	400,000	[•]

Note:-

Amount is less than RM500.

^ The estimated listing expenses of RM[•] directly attributable to the Public Issue will be offset against share capital and the remaining estimated listing expenses of RM[•] that attributable to Listing will be expensed off to profit or loss.

Initiated For Identification Purposes Only

 Crowe

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF1018
Chartered Accountants

Page 8

11. FINANCIAL INFORMATION (Cont'd)

Appendix A

**UNIQUE FIRE HOLDINGS BERHAD
NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021
(CONT'D)****6. EFFECTS ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)****6.3 Invested Capital**

	RM'000
As at 31 March 2021	9,455
Less: Acquisition of UFI	(9,005)
Less: Acquisition of UDI	(450)
As per Pro Forma I, II and III	<u>-</u>

6.4 Merger reserve

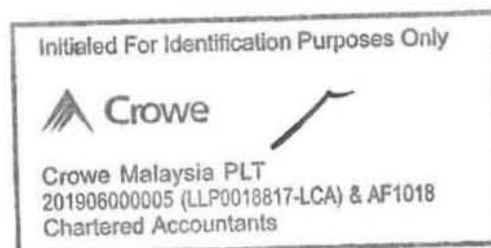
	RM'000
As at 31 March 2021	-
Add: Acquisition of UFI	(41,524)
Add: Acquisition of UDI	380
As per Pro Forma I, II and III	<u>(41,144)</u>

6.5 Retained profits

	RM'000
As at 31 March 2021/As per Pro Forma I and II	41,144
Less: Estimated listing expenses ^	[•]
As per Pro Forma III	<u>[•]</u>

Note:-

^ The estimated listing expenses of RM[•] directly attributable to the Public Issue will be offset against share capital and the remaining estimated listing expenses of RM[•] that attributable to Listing will be expensed off to profit or loss.



11. FINANCIAL INFORMATION (Cont'd)

Appendix A

UNIQUE FIRE HOLDINGS BERHAD

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated **05 NOV 2021**

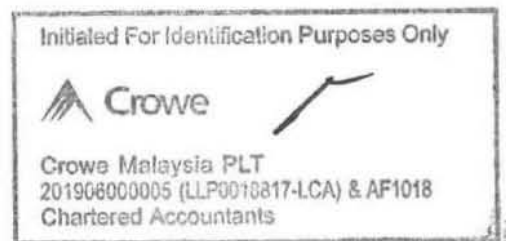
On behalf of the Board of Directors,



Liew Sen Hoi



Liew Kang Yee



12. ACCOUNTANTS' REPORT



05 NOV 2021

The Board of Directors
Unique Fire Holdings Berhad
No. 9, Jalan Anggerik Mokara 31/55
Kota Kemuning, Seksyen 31
40460 Shah Alam
Selangor

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
52 Jalan Kota Laksamana 2/15
Taman Kota Laksamana, Seksyen 2
75200 Melaka
Malaysia
Main +6 06 2825 995
Fax +6 06 2836 449
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Dear Sirs

REPORTING ACCOUNTANTS' OPINION ON THE FINANCIAL INFORMATION CONTAINED IN THE ACCOUNTANTS' REPORT OF UNIQUE FIRE HOLDINGS BERHAD ("UNIQUE FIRE" OR "THE COMPANY")

OPINION

We have audited the financial information of the Company and its subsidiaries (collectively known as "the Group"). The financial information comprise:-

- i) The combined statements of financial position as at 31 March 2019, 31 March 2020 and 31 March 2021, 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 ("FYE") 31 March 2019, FYE 31 March 2020 and FYE 31 March 2021, as set out in pages 5 to 9; and
- ii) Notes to the combined financial statements, including a summary of significant accounting policies and other explanatory information, as set out in pages 10 to 65.

This historical financial information has been prepared for inclusion in the prospectus of Unique Fire in connection with the listing of and quotation for the entire enlarged issued share capital of Unique Fire on the ACE Market of Bursa Securities ("Bursa Securities"). This report is required by the Prospectus Guidelines issued by the Securities Commission Malaysia (the "Prospectus Guidelines") and is given for the purpose of complying with Chapter 10 of the Prospectus Guidelines and for no other purpose.

In our opinion, the financial information gives a true and fair view of the financial position of the Group as at 31 March 2019, 31 March 2020 and 31 March 2021 and of their financial performance and their cash flows for each of the FYE 31 March 2019, FYE 31 March 2020 and FYE 31 March 2021 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting 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 Accountants' 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.

12. ACCOUNTANTS' REPORT (Cont'd)**INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES**

We are independent of the Group and 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.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The Directors of the Group are responsible for the preparation of the financial information of the Group that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial information of the Group 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' RESPONSIBILITIES 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 an auditors' 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.

12. ACCOUNTANTS' REPORT (Cont'd)**REPORTING ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL INFORMATION (CONT'D)**

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 financial information 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.
- 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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial information of the Group. We are responsible for the direction, supervision and performance 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.

12. ACCOUNTANTS' REPORT (Cont'd)



OTHER MATTER

The significant events subsequent to the end of the financial year ended 31 March 2021 have been disclosed in Note 30 to the combined financial statements.

RESTRICTION ON DISTRIBUTION AND USE

This report is made solely to the Group for inclusion in the Prospectus of Unique Fire in connection with the listing of and quotation for the entire enlarged issued share capital of Unique Fire on the ACE Market of Bursa Malaysia Securities Berhad and for no other purpose. We do not assume responsibility to any other person for the content of this report contrary to the aforesaid purpose.

A stylized signature in black ink, consisting of a series of connected loops and a long horizontal stroke.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Melaka

05 NOV 2021

A stylized signature in black ink, featuring a large, bold initial 'P' followed by a horizontal line.

Piong Yew Peng
03070/06/2023 J
Chartered Accountant

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

COMBINED STATEMENTS OF FINANCIAL POSITION

		As at 31 March		
	NOTE	2019 RM'000	2020 RM'000	2021 RM'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5	30,356	27,403	26,581
Right-of-use assets	6	-	1,377	963
Intangible assets		-	19	-
		<u>30,356</u>	<u>28,799</u>	<u>27,544</u>
CURRENT ASSETS				
Inventories	7	17,140	20,088	21,081
Trade and other receivables	8	24,466	24,177	24,471
Cash and bank balances		1,972	2,073	3,693
		<u>43,578</u>	<u>46,338</u>	<u>49,245</u>
TOTAL ASSETS		<u>73,934</u>	<u>75,137</u>	<u>76,789</u>
EQUITY AND LIABILITIES				
EQUITY				
Invested capital	9	9,105	9,305	9,455
Retained profits		46,014	47,320	41,144
TOTAL EQUITY		<u>55,119</u>	<u>56,625</u>	<u>50,599</u>
NON-CURRENT LIABILITIES				
Lease liabilities	10	-	144	171
Long-term borrowings	11	9,885	12,222	11,345
Deferred tax liabilities	12	407	289	274
		<u>10,292</u>	<u>12,655</u>	<u>11,790</u>
CURRENT LIABILITIES				
Trade and other payables	13	5,132	4,301	8,332
Amount due to a director	14	52	-	-
Lease liabilities	10	-	449	279
Short-term borrowings	15	2,444	689	5,181
Current tax liabilities		895	418	608
		<u>8,523</u>	<u>5,857</u>	<u>14,400</u>
TOTAL LIABILITIES		<u>18,815</u>	<u>18,512</u>	<u>26,190</u>
TOTAL EQUITY AND LIABILITIES		<u>73,934</u>	<u>75,137</u>	<u>76,789</u>
Number of ordinary shares ('000) #		316,250	316,250	316,250
Net assets ("NA") attributable to owners of the Company (RM'000)		55,119	56,625	50,599
NA per ordinary share attributable to owners of the Company (sen)		<u>17.43</u>	<u>17.91</u>	<u>16.00</u>

Note :

(#) – It is assumed to be the number of ordinary shares after the Acquisition of UFI and UDI but before the public issue.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTE	FYE 31 March		
		2019 RM'000	2020 RM'000	2021 RM'000
REVENUE	18	79,699	76,194	63,444
COST OF SALES		(56,578)	(54,032)	(46,753)
GROSS PROFIT ("GP")		23,121	22,162	16,691
OTHER INCOME		1,728	534	666
		24,849	22,696	17,357
ADMINISTRATIVE EXPENSES		(9,106)	(10,267)	(8,295)
SELLING AND DISTRIBUTION EXPENSES		(1,213)	(1,283)	(681)
FINANCE COST		(831)	(667)	(441)
OTHER EXPENSES		(557)	(318)	(19)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS/(REVERSAL) OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS	19	267	-	(239)
PROFIT BEFORE TAXATION ("PBT")	20	13,409	10,161	7,682
INCOME TAX EXPENSE	21	(3,464)	(2,677)	(2,358)
PROFIT AFTER TAXATION ("PAT")		9,945	7,484	5,324
OTHER COMPREHENSIVE INCOME		-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		9,945	7,484	5,324
GP Margin (%)		29.01	29.09	26.31
PBT Margin (%)		16.82	13.34	12.11
PAT Margin (%)		12.48	9.82	8.39
Effective tax rate (%)		25.83	26.35	30.70
Earnings before interest, tax, depreciation and amortisation ("EBITDA") (RM'000)		16,486	12,782	9,757
Number of ordinary shares ('000) #		316,250	316,250	316,250
Basic and diluted earnings per share ("EPS") (sen)	22	3.14	2.37	1.68

Note :

(#) – It is assumed to be the number of ordinary shares after the Acquisition of UFI and UDI but before the public issue.

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

COMBINED STATEMENTS OF CHANGES IN EQUITY

	NOTE	Invested Capital RM'000	Retained Profits RM'000	Total Equity RM'000
Balance at 1.4.2018		9,005	40,646	49,651
Profit after taxation/Total comprehensive income for the financial year		-	9,945	9,945
Issuance of shares	9	100	-	100
Dividend paid	23	-	(4,577)	(4,577)
Balance at 31.3.2019/1.4.2019		9,105	46,014	55,119
Profit after taxation/Total comprehensive income for the financial year		-	7,484	7,484
Issuance of shares	9	200	-	200
Dividend paid	23	-	(6,178)	(6,178)
Balance at 31.3.2020/1.4.2020		9,305	47,320	56,625
Profit after taxation/Total comprehensive income for the financial year		-	5,324	5,324
Issuance of shares	9	150	-	150
Dividends paid	23	-	(11,500)	(11,500)
Balance at 31.3.2021		9,455	41,144	50,599

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

COMBINED STATEMENTS OF CASH FLOWS

		FYE 31 March		
	NOTE	2019 RM'000	2020 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation		13,409	10,161	7,682
Adjustment for:-				
Amortisation of intangible assets		-	1	-
Bad debts written off		360	-	-
Depreciation of property, plant and equipment		2,250	1,341	1,050
Depreciation of right-of-use assets		-	618	584
Impairment losses on trade receivables		-	-	239
Interest expense on lease liabilities		-	52	16
Other Interest expense		780	573	383
Inventories written down		-	392	48
Interest income		(4)	(6)	*
Gain on disposal of property, plant and equipment		(231)	(51)	-
Gain on disposal of right-of-use assets		-	-	(52)
Gain on foreign exchange - unrealised		(234)	(356)	(30)
Property, plant and equipment written off		-	*	-
Recovery of bad debts		-	(118)	(202)
Reversal of impairment loss on trade receivables		(267)	-	-
Reversal of inventories written down		-	-	(60)
Written off of intangible assets		-	-	19
Operating income before working capital changes		16,063	12,607	9,677
Increase in inventories		(127)	(3,340)	(981)
(Increase)/Decrease in trade and other receivables		2,950	763	(301)
Increase/(Decrease) in trade and other payables		(308)	(1,831)	5,031
CASH FROM OPERATIONS		18,578	8,199	13,426
Income tax paid		(3,315)	(3,272)	(2,183)
NET CASH FROM OPERATING ACTIVITIES		15,263	4,927	11,243
CASH FLOWS FOR INVESTING ACTIVITIES				
Interest received		4	6	*
Purchase of plant and equipment	24(a)	(928)	(395)	(228)
Addition of intangible assets		-	(8)	-
Addition of right-of-use assets	24(a)	-	-	(198)
Proceeds from disposal of plant and equipment		289	51	-
Proceeds from disposal of right-of-use assets		-	-	380
NET CASH FOR INVESTING ACTIVITIES		(635)	(346)	(46)

Note :

(*) – Amount is less than RM500.

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

		FYE 31 March		
	NOTE	2019 RM'000	2020 RM'000	2021 RM'000
CASH FLOW FOR FINANCING ACTIVITIES				
Proceeds from issuance of shares		100	200	150
Interest paid	24(b)	(780)	(625)	(399)
Dividends paid	23	(4,577)	(5,178)	(12,500)
Net (repayment)/drawdown of bankers' acceptance	24(b)	(3,132)	(576)	3,995
Repayment of hire purchase obligations	24(b)	(828)	-	-
Repayment of lease liabilities	24(b)	-	(752)	(443)
Net (advanced payment of)/withdrawal from term loans	24(b)	(2,000)	3,527	-
Repayment of term loan instalments	24(b)	(829)	(1,024)	(380)
(Repayment to)/Advances from directors	24(b)	43	(52)	-
NET CASH FOR FINANCING ACTIVITIES		(12,003)	(4,480)	(9,577)
NET INCREASE IN CASH AND CASH EQUIVALENTS				
		2,625	101	1,620
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR				
		(653)	1,972	2,073
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR				
		1,972	2,073	3,693

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. ABBREVIATIONS

Unless the context otherwise requires, the following abbreviations shall apply throughout this report:

Abbreviations

Unique Fire or the Company	Unique Fire Holdings Berhad Registration No: 202101013602 (1413901-D)
Unique Fire Group or the Group	Unique Fire, UFI, and UDI collectively
UFI	Unique Fire Industry Sdn. Bhd. Registration No: 199701003235 (418731-U)
UDI	Unique Digital Innovation Sdn. Bhd. Registration No: 201801000171 (1262183-U)
MASB	Malaysian Accounting Standards Board
MFRS	Malaysian Financial Reporting Standards
MPERS	Malaysian Private Entity Reporting Standard
FPE	Financial Period Ended
FYE	Financial Year Ended
Unique Fire Shares or Shares	Ordinary shares in Unique Fire
RM and Sen	Ringgit Malaysia and sen, respectively
CA 2016	Companies Act 2016

2. GENERAL INFORMATION

2.1 INCORPORATION AND PRINCIPAL ACTIVITIES

Unique Fire Holdings Sdn. Bhd. was incorporated in Malaysia under the Companies Act 2016 on 13 April 2021 as a private limited company. Subsequently on 8 September 2021, the Company was converted to a public limited company under the name of Unique Fire Holdings Berhad.

For the purpose of listing the Company on the ACE Market of Bursa Securities, the Company undertook the acquisition of subsidiaries as disclosed in Note 2.2(a) to the combined financial statements.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**2. GENERAL INFORMATION (CONT'D)****2.1 INCORPORATION AND PRINCIPAL ACTIVITIES (CONT'D)**

Details of the subsidiaries are as follows:-

Name of subsidiary	Date and place of incorporation	Effective equity interest %	Issued share capital RM	Principal activities
UFI	27 January 1997 Malaysia	100	9,004,500	Assembly, manufacture and distribution of active fire protection systems, equipment and accessories for built environment.
UDI	2 January 2018 Malaysia	100	450,000	Distribution of custom graphics designed fire extinguishers, and other active fire protection systems, equipment and accessories and related services.

2.2 LISTING SCHEME

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued share capital of Unique Fire on the ACE Market of Bursa Securities ("the Listing Scheme"), Unique Fire intends to undertake the following:-

(a) Acquisition of UFI and UDI**(i) Acquisition of UFI**

The Company entered into a conditional shares sale agreement with Liew Sen Hoi, Lim Show Ching, Liew Kang Leong, Liew Kang Yee, Liew Kang Chin and Liew Kang Boon on 26 August 2021 to acquire the entire equity interest in UFI of RM9,004,500 comprising 9,004,500 ordinary shares for a total purchase consideration of RM50,529,280, to be satisfied by the issuance of 315,808,000 new Shares at an issue price of RM0.16 per Share.

The Acquisition of UFI was completed on [●] and consolidated using merger method of accounting.

(ii) Acquisition of UDI

The Company entered into a conditional shares sale agreement with Liew Sen Hoi, Liew Kang Leong, Liew Kang Yee, Liew Kang Chin and Liew Kang Boon on 26 August 2021 to acquire the entire equity interest in UDI of RM450,000 comprising 450,000 ordinary shares for a total purchase consideration of RM70,080, to be satisfied by the issuance of 438,000 new Shares at an issue price of RM0.16 per Share.

The Acquisition of UDI was completed on [●] and consolidated using merger method of accounting.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**2. GENERAL INFORMATION (CONT'D)****2.2 LISTING SCHEME (CONT'D)****(b) Public Issue**

The Public Issue of 83,750,000 new Shares, representing approximately 20.94% of the enlarged issued share capital of Unique Fire at an issue price of RM[•] per Share allocated in the following manner:-

- 20,000,000 new Shares made available for application by the Malaysian Public;
- 8,000,000 new Shares made available for application by the eligible Directors, employees and persons who have contributed to the success of the Group;
- 5,750,000 new Shares made available by way of private placement to selected investors; and
- 50,000,000 new Shares made available by way of private placement to identified Bumiputera investors approved by The Ministry of International Trade and Industry ("MITI").

(c) Offer for Sale

30,000,000 existing Shares, representing approximately 7.50% of the enlarged issued share capital of Unique Fire, are offered to selected investors by way of private placement at an issue price of RM[•] per Share.

(d) Share Transfer to Unique Fire Group Sdn Bhd ("UFG")

Transfer by the promoters, namely Liew Sen Hoi, Lim Show Ching, Liew Kang Leong, Liew Kang Yee, Liew Kang Chin and Liew Kang Boon (save for UFG) of an aggregate of 252,000,000 Shares to UFG, an investment holding company held by the Promoters (save for UFG), during the prescription period.

(e) Listing

The admission of Unique Fire to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued share capital of Unique Fire of RM74,049,760 comprising 400,000,000 Shares on the ACE Market of Bursa Securities.

2.3 SHARE CAPITAL

As at the date of this report, the share capital of Unique Fire is RM400 comprising 4,000 shares.

The details of the changes in the issued share capital of Unique Fire since its incorporation are as follows:-

Date of allotment	No of shares allotted	Cumulative no of shares allotted	Consideration	Cumulative issued share capital RM
13 April 2021	2,000	2,000	Cash	200
23 July 2021	2,000	4,000	Cash	400
[•]	315,808,000	315,812,000	Acquisition of UFI	50,529,680
[•]	438,000	316,250,000	Acquisition of UDI	50,599,760
Upon listing	83,750,000	400,000,000	Public issue	[•]

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. DIVIDENDS

No dividend has been declared by Unique Fire since the date of its incorporation.

Details of dividends paid by the subsidiary company, UFI during the financial years under review are as follows:

	Paid on	Type of dividend	Dividend rate (Sen/Share)	Net amount (RM'000)
FYE 31 March 2019	6 April 2018	Interim single tier tax exempt dividend	14.45	1,301
	17 September 2018	Interim single tier tax exempt dividend	11.95	1,076
	28 September 2018	Interim single tier tax exempt dividend	17.77	1,600
	23 January 2019	Interim single tier tax exempt dividend	6.66	600
				<u>4,577</u>
FYE 31 March 2020	28 August 2019	Interim single tier tax exempt dividend	20.96	1,888
	25 February 2020	Interim single tier tax exempt dividend	19.88	1,790
	31 March 2020	Interim single tier tax exempt dividend	16.66	1,500
	10 December 2020	Interim single tier tax exempt dividend	11.11	1,000
				<u>6,178</u>
FYE 31 March 2021	2 February 2021	Interim single tier tax exempt dividend	33.32	3,000
	23 February 2021	Interim single tier tax exempt dividend	33.32	3,000
	17 March 2021	Interim single tier tax exempt dividend	44.42	4,000
	30 March 2021	Interim single tier tax exempt dividend	16.66	1,500
				<u>11,500</u>

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****4.1 BASIS OF PREPARATION**

For the purposes of inclusion of combined financial statements in the prospectus of Unique Fire in connection with the Listing, the combined financial statements comprise the combined statements of financial position as at 31 March 2019, 31 March 2020 and 31 March 2021, 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 FYE 31 March 2019, FYE 31 March 2020 and FYE 31 March 2021.

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 common 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 merger 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 dates of incorporation of entities within the Group, if later. Such manner of presentation reflects the economic substance of the combining companies, which were under common control throughout the relevant period.

The identifiable assets and liabilities 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.

These combined financial statements of the Group are the combination or aggregation of all of the financial statements of the entities of the Group and have been prepared based on the financial statements for the relevant financial years as follows:

Company	Relevant financial years/periods	Accounting standards applied	Auditors
UFI	FYE 31 March 2019	MFRS	PT Wong & Co.
	FYE 31 March 2020	MFRS	Crowe Malaysia PLT
	FYE 31 March 2021	MFRS	Crowe Malaysia PLT
UDI	FPE from 2 January 2018 (date of incorporation) to 31 December 2018	MPERS	PT Wong & Co.
	FYE 31 December 2019	MPERS	PT Wong & Co.
	FPE from 1 January 2020 to 31 March 2021	MFRS	Crowe Malaysia PLT

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.1 BASIS OF PREPARATION (CONT'D)**

The financial statements of UFI for FYE 31 March 2019 have been re-audited by Crowe Malaysia PLT, prepared in accordance with MFRS and International Financial Reporting Standards for inclusion in the prospectus to be issued by Unique Fire in connection with the Listing and should not be relied upon for any other purpose.

The separate statutory financial statements of UDI for FPE 31 December 2018, FYE 31 December 2019 and FPE 31 March 2021 were re-prepared by their directors to comply with MFRSs and realigned to FYE 31 March 2019, FYE 31 March 2020 and FYE 31 March 2021. The financial statements of UDI for FPE 31 December 2018 and FYE 31 December 2019 were re-audited by Crowe Malaysia PLT for the purpose of inclusion in the prospectus to be issued by Unique Fire in connection with the Listing and should not be relied upon for any other purpose.

The audited financial statements of UFI and UDI were not subject to any modified audit opinions.

4.2 NEW MFRSS, AMENDMENT TO MFRSS AND IC INTERPRETATIONS THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE

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 MASB but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
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 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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 combined financial statements of the Group upon their initial application.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 SIGNIFICANT ACCOUNTING POLICIES****(a) 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 amount of assets, liabilities, within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment 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 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 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 values of trade receivables.

(c) 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.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(a) Critical Accounting Estimates and Judgements (Cont'd)***Critical Judgement 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.

(b) Basis of Combination

The Group resulting from the acquisition of UFI and UDI, as disclosed in Note 2.2 above, comprises entities under common control. Accordingly, the combined financial statements have been accounted for using principles of merger accounting.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Intragroup transactions, balances, income and expenses are eliminated on combination. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(i) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(b) Basis of Combination (Cont'd)****(i) Business Combinations (Cont'd)**

However, an acquisition that resulted in a business combination involving common control entities is outside the scope of MFRS 3 Business Combinations. For such common control combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the audited financial statements.

In applying merger accounting, financial statements items of the combining entities or businesses for the reporting period in which common control combination occurs are included in the audited financial statements of the Group as if the combination had occurred from the date when the combining entities or businesses first come under the control of the controlling party or parties. Under merger accounting, the Group recognises the assets, liabilities and equity of the combining entities or businesses at the carrying amount as if such audited financial statements had been prepared by the controlling party including adjustments required for conforming to the Groups' accounting policies and applying those policies to all period presented. There is no recognition of any goodwill or a gain from bargain purchase at the time of the common control combination. The effect of all transactions and balances between combining entities, whether occurring before or after the combination, are eliminated in preparing the audited combined financial statements of the Group.

(ii) Non-controlling Interests

Non-controlling interests are presented within equity in the combined statements of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(iii) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(b) Basis of Combination (Cont'd)****(iv) Loss of Control**

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(c) Functional and Foreign Currencies**(i) Functional and Presentation Currency**

The combined financial statements are presented in Ringgit Malaysia ("RM") which is the Group's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

(ii) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into RM on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(d) Financial Instruments**

Financial assets and financial liabilities are recognised in the combined statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 – Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the combined statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

*Debt Instruments***(i) Amortised Cost**

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(d) Financial Instruments (Cont'd)****(a) Financial Assets (Cont'd)***Debt Instruments (Cont'd)***(i) Amortised Cost (Cont'd)**

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

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12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(d) Financial Instruments (Cont'd)****(a) Financial Assets (Cont'd)***Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities**(i) Financial Liabilities at Fair Value through Profit or Loss**

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

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12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(d) Financial Instruments (Cont'd)****(b) Financial Liabilities (Cont'd)****(ii) Other Financial Liabilities (Cont'd)**

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(e) Property, Plant and Equipment**

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Machinery	20%
Warehouse equipment	20%
Equipment	20%
Furniture and fittings	10%
Motor vehicles	20%
Renovation	20%
Electrical fittings	10%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(f) Leases**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. 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 representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statement of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined as follow:-

Motor vehicles	20%
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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(f) Leases (Cont'd)**Accounting Policies Applied Until 31 March 2019**Finance Leases**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statement of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and bank balances that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

(h) Impairment**(a) Impairment of Financial Assets**

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income and trade receivables.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using the 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 estimates at the end of each reporting period.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) Impairment (Cont'd)****(a) Impairment of Financial Assets (Cont'd)**

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the combined statement of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 – Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(i) 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, conversion costs and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes the costs of materials, labours and appropriate proportion of production overhead.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Employee Benefits**(a) Short-term Benefits**

Wages, salaries, paid annual leave, and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contributions Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(k) Income Taxes**(a) Current Tax**

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax are recognised using the liability method for temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(k) Income Taxes (Cont'd)****(b) Deferred Tax (Cont'd)**

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

(l) Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(m) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(n) Earnings per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the combined profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the combined profit or loss attributable to ordinary shareholders of the Group and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(o) Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- | | |
|----------|---|
| Level 1: | Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date; |
| Level 2: | Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and |
| Level 3: | Inputs are unobservable inputs for the asset or liability. |

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(p) Revenue From Contracts With Customers

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

4. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Revenue From Contracts With Customers (Cont'd)

(i) Sale of goods (Cont'd)

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(q) Other Operating Income

(i) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(ii) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

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12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

<i>Carrying Amount</i>	Freehold land RM'000	Buildings RM'000	Machinery RM'000	Warehouse equipment RM'000	Equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Electrical fittings RM'000	Total RM'000
At 1 April 2018	10,108	16,555	462	257	201	542	2,665	383	88	31,261
Additions (Note 24(a))	-	-	320	88	185	75	705	30	-	1,403
Disposals	-	-	-	-	-	-	(58)	-	-	(58)
Depreciation charges (Notes 20)	-	(340)	(336)	(97)	(119)	(113)	(1,081)	(151)	(13)	(2,250)
At 31 March 2019	10,108	16,215	446	248	267	504	2,231	262	75	30,356
<i>Carrying Amount</i>	Freehold land RM'000	Buildings RM'000	Machinery RM'000	Warehouse equipment RM'000	Equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Electrical fittings RM'000	Total RM'000
At 1 April 2019	10,108	16,215	446	248	267	504	2,231	262	75	30,356
- As previously reported	10,108	16,215	446	248	267	504	2,231	262	75	30,356
- Initial application of MFRS 16	-	-	-	-	-	-	(1,995)	-	-	(1,995)
As restated	10,108	16,215	446	248	267	504	236	262	75	28,361
Additions (Note 24(a))	-	-	13	50	191	4	137	-	-	395
Transfer to intangible assets	-	-	-	-	(12)	-	-	-	-	(12)
Write off	-	-	-	-	*	-	-	-	-	*
Depreciation charges (Notes 20)	-	(536)	(144)	(107)	(138)	(113)	(203)	(86)	(14)	(1,341)
At 31 March 2020	10,108	15,679	315	191	308	395	170	176	61	27,403

Note :

(*) – Amount is less than RM500

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

<i>Carrying Amount</i>	Freehold land RM'000	Buildings RM'000	Machinery RM'000	Warehouse equipment RM'000	Equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Electrical fittings RM'000	Total RM'000
At 1 April 2020	10,108	15,679	315	191	308	395	170	176	61	27,403
Additions (Note 24(a))	-	-	-	107	73	31	-	17	-	228
Depreciation charges (Note 20)	-	(365)	(145)	(110)	(124)	(115)	(88)	(89)	(14)	(1,050)
At 31 March 2021	10,108	15,314	170	188	257	311	82	104	47	26,581

	Freehold land RM'000	Buildings RM'000	Machinery RM'000	Warehouse equipment RM'000	Equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Electrical fittings RM'000	Total RM'000
At 31 March 2019	10,108	18,261	6,168	485	1,336	1,158	6,270	853	160	44,799
Cost	10,108	18,261	6,168	485	1,336	1,158	6,270	853	160	44,799
Accumulated depreciation	-	(2,046)	(5,722)	(237)	(1,069)	(654)	(4,039)	(591)	(85)	(14,443)
Carrying amount	10,108	16,215	446	248	267	504	2,231	262	75	30,356

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Buildings RM'000	Machinery RM'000	Warehouse equipment RM'000	Equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Electrical fittings RM'000	Total RM'000
At 31 March 2020										
Cost	10,108	18,261	6,181	535	1,448	1,126	3,194	853	160	41,866
Accumulated depreciation	-	(2,582)	(5,866)	(344)	(1,140)	(731)	(3,024)	(677)	(99)	(14,463)
Carrying amount	10,108	15,679	315	191	308	395	170	176	61	27,403
At 31 March 2021										
Cost	10,108	18,261	6,181	642	1,495	1,151	3,194	870	160	42,062
Accumulated depreciation	-	(2,947)	(6,011)	(454)	(1,238)	(840)	(3,112)	(766)	(113)	(15,481)
Carrying amount	10,108	15,314	170	188	257	311	82	104	47	26,581

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

- (a) In the previous financial year, the following asset was acquired under hire purchase terms:-

<i>Carrying Amount</i>	As at 31 March 2019 RM'000
Motor vehicles	2,115

This leased asset has been pledged as security for the related finance lease liability of the Group as disclosed in Note 16 to the combined financial statements.

- (b) The carrying amount of assets held in trust by a director are as follow:-

<i>Carrying Amount</i>	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Motor vehicles	571	60	-

- (c) The carrying amount of property, plant and equipment pledged to licensed bank for banking facilities extended to the Group as disclosed in Note 17 to the combined financial statements is as follows:-

<i>Carrying Amount</i>	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Freehold land	10,108	10,108	10,108
Buildings	16,215	15,679	15,314
	26,323	25,787	25,422

6. RIGHT-OF-USE ASSETS

<i>Carrying Amount</i>	Motor vehicles RM'000
At 1 April 2019	
- As previously reported	-
- Initial application of MFRS 16	1,995
As restated	1,995
Depreciation charges (Note 20)	(618)
At 31 March 2020	1,377

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

6. RIGHT-OF-USE ASSETS (CONT'D)

<i>Carrying Amount</i>	Motor vehicles RM'000
At 1 April 2020	1,377
Additions (Note 24(a))	498
Disposals	(328)
Depreciation charges (Note 20)	(584)
At 31 March 2021	963
At 31 March 2020	Motor vehicles RM'000
Cost	3,090
Accumulated depreciation	(1,713)
Carrying amount	1,377
At 31 March 2021	Motor vehicles RM'000
Cost	2,921
Accumulated depreciation	(1,958)
Carrying amount	963

The comparative information for the FYE 2019 is not presented as the Group has applied MFRS 16 using the modified retrospective approach with effect from 1 April 2019 as disclosed in Note 28 to the combined financial statements.

- (a) The Group leases certain motor vehicles of which the leasing activities are summarised below:-

Motor vehicles	The Group has leased its motor vehicle under hire purchase arrangements. The leases are secured by the leased assets. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.
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- (b) The carrying amount of right-of-use assets held in trust by a director are as follow:-

<i>Carrying Amount</i>	As at 31 March	
	2020 RM'000	2021 RM'000
Motor vehicles	243	474

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

7. INVENTORIES

	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Raw materials	4,691	3,864	5,414
Work-in-progress	-	136	189
Finished goods	3,028	3,044	4,007
Trading goods	9,421	13,044	10,617
Goods-in-transit	-	-	854
	<u>17,140</u>	<u>20,088</u>	<u>21,081</u>
Recognised in profit or loss:-			
Inventories recognised as cost of sales	56,578	53,640	46,765
Amount written down to net realisable value	-	392	48
Reversal of inventories written down	-	-	(60)

8. TRADE AND OTHER RECEIVABLES

	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Trade receivables	23,772	23,541	23,527
Less: Allowance for impairment losses	(475)	(475)	(714)
	<u>23,297</u>	<u>23,066</u>	<u>22,813</u>
Other receivables	366	28	43
Goods and services tax receivables	8	8	-
Deposits	89	92	92
Prepayments	706	983	1,523
	<u>1,169</u>	<u>1,111</u>	<u>1,658</u>
Total trade and other receivables	<u>24,466</u>	<u>24,177</u>	<u>24,471</u>

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

8. TRADE AND OTHER RECEIVABLES (CONT'D)

	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Allowance for impairment losses:-			
At 1 April	742	475	475
Addition during the financial year (Note 19)	-	-	239
Reversal during the financial year (Note 19)	(267)	-	-
At 31 March	475	475	714

The Group's normal trade credit terms range from 7 to 120 (2020 – 7 to 120 and 2019 – 7 to 120) days. Other credit terms are assessed and approved on a case-by-case basis.

9. INVESTED CAPITAL

	As at 31 March		
	2019	2020	2021
	NUMBER OF SHARES ('000)		
ISSUED AND FULLY PAID-UP:			
Ordinary Shares			
At 1 April	9,005	9,105	9,305
Issuance of new shares for cash	100	200	150
At 31 March	9,105	9,305	9,455

	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
ISSUED AND FULLY PAID-UP:			
Ordinary Shares			
At 1 April	9,005	9,105	9,305
Issuance of new shares for cash	100	200	150
At 31 March	9,105	9,305	9,455

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

9. INVESTED CAPITAL (CONT'D)

- (i) The holders of ordinary shares are entitled to receive dividends as and when declared by the Group, and are entitled to one vote per ordinary share at meetings of the Group. The ordinary shares have no par value.
- (ii) For the purpose of this report, the total number of ordinary shares as at 31 March 2019, 31 March 2020 and 31 March 2021 represent the aggregate number of issued and fully paid-up ordinary shares of all combining entities within the Group.

10. LEASE LIABILITIES

	As at 31 March	
	2020 RM'000	2021 RM'000
At 1 July		
- As previously reported	-	593
- Initial application of MFRS 16	1,345	-
As restated	1,345	593
Addition (Note 24(c))	-	300
Interest expense recognised in profit or loss	52	16
Repayment of principal	(752)	(443)
Repayment of interest expense	(52)	(16)
	593	450
	FYE 31 March	
	2020 RM'000	2021 RM'000
Analysed by:		
Current liabilities	449	279
Non-current liabilities	144	171
	593	450

The comparative information for the FYE 31 March 2019 is not presented as the Group has applied MFRS 16 using the modified retrospective approach with effect from 1 April 2019 as disclosed in Note 28 to the combined financial statements.

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

11. LONG-TERM BORROWINGS

	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Hire purchase (Note 16)	593	-	-
Term loans (Note 17)	9,292	12,222	11,345
	<u>9,885</u>	<u>12,222</u>	<u>11,345</u>

12. DEFERRED TAX (ASSETS)/LIABILITIES

	At 1 April 2018 RM'000	Recognised in Profit or Loss (Note 21) RM'000	At 31 March 2019 RM'000
2019			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	113	408	521
<i>Deferred Tax Assets</i>			
Impairment loss on trade receivables	(178)	64	(114)
	<u>(65)</u>	<u>472</u>	<u>407</u>
	At 1 April 2019 RM'000	Recognised in Profit or Loss (Note 21) RM'000	At 31 March 2020 RM'000
2020			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	521	(24)	497
<i>Deferred Tax Assets</i>			
Impairment loss on trade receivables	(114)	-	(114)
Provisions	-	(94)	(94)
	<u>407</u>	<u>(118)</u>	<u>289</u>

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

12. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

	At 1 April 2020 RM'000	Recognised in Profit or Loss (Note 21) RM'000	At 31 March 2021 RM'000
2021			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	497	(40)	457
<i>Deferred Tax Assets</i>			
Impairment loss on trade receivables	(114)	(57)	(171)
Provisions	(94)	82	(12)
	<u>289</u>	<u>(15)</u>	<u>274</u>

13. TRADE AND OTHER PAYABLES

	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Trade payables	3,804	1,194	6,843
Other payables	1,249	1,477	776
Accruals	79	630	713
Dividend payable	-	1,000	-
	<u>1,328</u>	<u>3,107</u>	<u>1,489</u>
	<u>5,132</u>	<u>4,301</u>	<u>8,332</u>

The normal trade credit terms granted to the Group range from 30 to 60 (2020 – 30 to 60 and 2019 – 30 to 60) days.

14. AMOUNT OWING TO A DIRECTOR

The amount owing to a director represents unsecured interest-free advances and payments made on behalf. The amount owing is repayable on demand and is to be settled in cash.

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

15. SHORT-TERM BORROWINGS

	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Bankers' acceptance	765	189	4,184
Hire purchase (Note 16)	752	-	-
Term loans (Note 17)	927	500	997
	<u>2,444</u>	<u>689</u>	<u>5,181</u>

The weighted average effective interest rates at the end of the reporting period for borrowings were as follows:-

	As at 31 March		
	2019 %	2020 %	2021 %
Bankers' acceptance	4.84	4.64	3.41
Term loans (Note 17)	5.05	5.02	4.27

The bankers' acceptance are secured in the same manner as the term loans as disclosed in Note 17 to the combined financial statements.

16. HIRE PURCHASE PAYABLE

	As at 31 March 2019 RM'000
Minimum hire purchase payments:	
- not later than 1 year	804
- later than 1 year but not later than 5 years	608
	<u>1,412</u>
Less: Future finance charges	(67)
Present value of hire purchase payable	<u>1,345</u>

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

16. HIRE PURCHASE PAYABLE (CONT'D)

	As at 31 March 2019 RM'000
Analysed by:-	
Current liabilities	752
Non-current liabilities	593
	1,345

- (a) The hire purchase payables have been presented as 'lease liabilities' as shown in Note 10 to the financial statements following the application of MFRS 16 by the Group using the modified retrospective approach.
- (b) The hire purchase payables of the Group are secured by the Group's motor vehicle under finance lease as disclosed in Note 5 to the combined financial statements. The hire purchase arrangements were expiring from 1 to 3 years.
- (c) In previous financial year, the hire purchase payable of the Group at the end of the reporting period bore effective interest rates ranging from of 1.98% to 4.46% per annum. The interest rate is fixed at the inception of the hire purchase arrangement.

17. TERM LOANS

	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Current liabilities	927	500	997
Non-current liabilities	9,292	12,222	11,345
	10,219	12,722	12,342

- (a) The term loan is secured by the following:-
- (i) by legal charge over certain property, plant and equipment of the Group as disclosed in Note 5 to the combined financial statements; and
 - (ii) joint and several guarantee by certain directors of the Group.
- (b) This floating-rate term loan bore effective interest rate of 4.27% (2020 – 5.02% and 2019 – 5.05%) per annum.

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

18. REVENUE

	FYE 31 March		
	2019	2020	2021
	RM'000	RM'000	RM'000
Revenue recognised at a point in time			
Assembly	37,000	35,773	30,725
Distribution	30,419	27,918	20,483
Manufacturing	10,957	11,392	11,135
Others	1,323	1,111	1,101
	<u>79,699</u>	<u>76,194</u>	<u>63,444</u>

19. (REVERSAL OF IMPAIRMENT LOSSES)/NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	FYE 31 March		
	2019	2020	2021
	RM'000	RM'000	RM'000
Impairment losses			
- Trade receivables (Note 8)	-	-	239
Reversal of impairment loss:			
- Trade receivables (Note 8)	(267)	-	-
	<u>(267)</u>	<u>-</u>	<u>239</u>

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12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**20. PROFIT BEFORE TAXATION**

	FYE 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Profit before taxation is arrived at after charging/(crediting):-			
Amortisation of intangible assets	-	1	-
Auditors' remuneration:-			
- current year	24	44	45
- under provision in prior year	-	1	-
Bad debts written off	360	-	-
Depreciation of property, plant and equipment (Note 5)	2,250	1,341	1,050
Depreciation of right-of-use assets (Note 6)	-	618	584
Interest expenses on financial liabilities not at fair value through profit or loss:-			
- bank overdraft	59	161	12
- bankers' acceptance	29	3	35
- hire purchase	88	-	-
- term loans	604	409	336
Interest expense on lease liabilities	-	52	16
Property, plant and equipment written off	-	*	-
Inventories written down	-	392	48
Lease expenses:-			
- short term lease	-	-	1
- low-value assets	-	29	29
Staff costs	4,981	5,263	4,931
Written off of intangible assets	-	-	19
Total interest income on financial assets measured at amortised cost	(4)	(6)	*
Compensation received	(1,245)	(2)	(1)
Loss/(Gain) on foreign exchange:-			
- realised	197	318	(109)
- unrealised	(234)	(356)	(30)
Gain on disposal of property, plant and equipment	(231)	(51)	-
Gain on disposal of right-of-use assets	-	-	(52)
Recovery of bad debts	-	(118)	(202)
Rental income	*	(1)	(1)
Reversal of inventories written down	-	-	(60)

Note :

(*) – Amount is less than RM500

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

21. INCOME TAX EXPENSE

	FYE 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Current tax expenses	3,215	2,795	2,167
(Over)/Under provision in the previous financial year	(223)	*	206
	<u>2,992</u>	<u>2,795</u>	<u>2,373</u>
Deferred tax (Note 12):			
- Origination or reversal of temporary differences	1	(22)	34
- Under/(Over) provision in the previous financial year	471	(96)	(49)
	<u>472</u>	<u>(118)</u>	<u>(15)</u>
Total income tax expense	<u>3,464</u>	<u>2,677</u>	<u>2,358</u>

Note :

(*) – Amount is less than RM500

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rates to income tax expense at the effective tax rate of the Group is as follows:-

	FYE 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Profit before taxation	<u>13,409</u>	<u>10,161</u>	<u>7,682</u>
Tax at the statutory tax rate of 24%	3,218	2,439	1,844
Tax effects of:-			
Non-taxable income	(445)	(126)	(16)
Non-deductible expenses	426	422	363
Effect of change in corporate income tax rate	2	3	1
(Over)/Under provision in previous financial year	(223)	*	206
Under/(Over) provision of deferred tax in previous financial year	471	(96)	(49)
Deferred tax assets not recognised during the year	15	35	9
	<u>3,464</u>	<u>2,677</u>	<u>2,358</u>

Note :

(*) – Amount is less than RM500

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

22. EARNINGS PER SHARE

	FYE 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Profit attributable to owners of the Company	9,945	7,484	5,324
Number of ordinary shares ('000) #	316,250	316,250	316,250
Basic and diluted earnings per share (sen)	3.14	2.37	1.68

Note :

(#) – It is assumed to be the number of ordinary shares before public issue.

23. DIVIDENDS

	FYE 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
In respect of the financial year ended 31 March 2019	4,577	-	-
In respect of the financial year ended 31 March 2020	-	6,178	-
In respect of the financial year ended 31 March 2021	-	-	11,500
	4,577	6,178	11,500

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12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

24. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	FYE 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Property, plant and equipment			
Cost of property, plant and equipment purchased (Note 5)	1,403	395	228
Less: Amount financed through hire purchase (Note 16 and 24(c))	(475)	-	-
	<u>928</u>	<u>395</u>	<u>228</u>
	FYE 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Right-of-use assets			
Cost of right-of-use assets acquired (Note 6)	-	-	498
Less: Addition of new lease liabilities (Note 10 and 24(c))	-	-	(300)
	<u>-</u>	<u>-</u>	<u>198</u>

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12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

24. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Bank Overdraft RM'000	Bankers' Acceptance RM'000	Hire Purchase RM'000	Term Loans RM'000	Amount Owing to a Director RM'000	Total RM'000
2019						
At 1 April	-	3,897	1,698	13,048	9	18,652
<u>Changes in Financing Cash Flows</u>						
Advances from a director	-	-	-	-	43	43
Net advances to term loan	-	-	-	(2,000)	-	(2,000)
Repayment of borrowing principal	*	(3,132)	(828)	(829)	-	(4,789)
Repayment of borrowing interests	(59)	(29)	(88)	(604)	-	(780)
<u>Non-cash Changes</u>						
Interest expense recognised in profit or loss (Note 20)	59	29	88	604	-	780
New hire purchase (Note 24(a))	-	-	475	-	-	475
At 31 March	-	765	1,345	10,219	52	12,381

* Bank overdraft has formed part of the cash and cash equivalents, therefore, no movement is presented.

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

24. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Bank Overdraft RM'000	Bankers' Acceptance RM'000	Hire Purchase RM'000	Lease Liabilities RM'000	Term Loans RM'000	Amount Owing to a Director RM'000	Total RM'000
2020							
At 1 April, as previously reported	-	765	1,345	-	10,219	52	12,381
Effects on adoption of MFRS 16	-	-	(1,345)	1,345	-	-	-
At 1 April, as restated	-	765	-	1,345	10,219	52	12,381
<u>Changes in Financing Cash Flows</u>							
Net proceeds from term loan	*	-	-	-	3,527	-	3,527
Repayment of principal	*	(576)	-	(752)	(1,024)	-	(2,352)
Repayment of interests	(161)	(3)	-	(52)	(409)	-	(625)
Repayment to a director	-	-	-	-	-	(52)	(52)
<u>Non-cash Changes</u>							
Interest expense recognised in profit or loss (Note 20)	161	3	-	52	409	-	625
At 31 March	-	189	-	593	12,722	-	13,504

* Bank overdraft has formed part of the cash and cash equivalents, therefore, no movement is presented.

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

24. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Bank Overdraft RM'000	Bankers' Acceptance RM'000	Lease Liabilities RM'000	Term Loans RM'000	Total RM'000
2021					
At 1 April	-	189	593	12,722	13,504
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	*	3,995	-	8,800	12,795
Repayment of principal	*	-	(443)	(9,180)	(9,623)
Repayment of interests	(12)	(35)	(16)	(336)	(399)
<u>Non-cash Changes</u>					
Interest expense recognised in profit or loss (Note 20)	12	35	16	336	399
Acquisition of new lease (Note 10 and 24(a))	-	-	300	-	300
At 31 March	-	4,184	450	12,342	16,976

* Bank overdraft has formed part of the cash and cash equivalents, therefore, no movement is presented.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**24. CASH FLOW INFORMATION (CONT'D)**

- (c) The total cash outflows for leases as a lessee are as follows:-

	FYE 31 March	
	2020 RM'000	2021 RM'000
Payment of short-term leases	-	(1)
Payment of low-value assets	(29)	(29)
Interest paid on lease liabilities	(52)	(16)
Payment of lease liabilities	(752)	(443)
	<u>(833)</u>	<u>(489)</u>

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

25. RELATED PARTY DISCLOSURES

- (a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control.

In addition to the information detailed elsewhere in the combined financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

- (b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the combined financial statements, the Group also carried out the following significant transactions with the related parties during the financial year:-

	FYE 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Company in which a director of the Group has a substantial financial interest			
Sales of goods	-	122	117

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)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**25. RELATED PARTY DISCLOSURES (CONT'D)**

(c) Key management personnel compensation

	FYE 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
<u>Directors of the Group</u>			
Short-term employee benefits:-			
- salaries and other benefits	981	1,549	1,633
Defined contribution benefits	46	109	120
	<u>1,027</u>	<u>1,658</u>	<u>1,753</u>

26. OPERATING SEGMENTS

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely distribution of custom graphics designed fire extinguishers, and other active fire protection systems, equipment and accessories and related services sector in Malaysia.

Major Customers

There is no single customer that contributed 10% or more to the Group's revenue.

27. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

27.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's 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 Ringgit Malaysia. The currency giving rise to this risk is primarily United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

27. FINANCIAL INSTRUMENTS

27.1 FINANCIAL RISK MANAGEMENT POLICIES

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group exposure to foreign currency risk that based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

United States Dollar

	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
<u>Financial Asset</u>			
Cash and bank balances	-	692	758
<u>Financial Liabilities</u>			
Trade and other payables	(2,038)	(939)	(4,734)
Currency exposure	<u>(2,038)</u>	<u>(247)</u>	<u>(3,976)</u>

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the financial year, with all other variables held constant:-

	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Effects on Profit After Taxation			
USD/RM – strengthened by 8% (2020: 5% and 2019: 5%)	(77)	(9)	(242)
USD/RM – weakened by 8% (2020: 5% and 2019: 5%)	<u>77</u>	<u>9</u>	<u>242</u>

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**27. FINANCIAL INSTRUMENTS****27.1 FINANCIAL RISK MANAGEMENT POLICIES****(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 Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate borrowings is carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's 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 and 17 to the combined financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Effects on Profit After Taxation			
Increase of 77 basis points (2020: 65 basis points and 2019: 2 basis points)	(2)	(64)	(97)
Decrease of 77 basis points (2020: 65 basis points and 2019: 2 basis points)	2	64	97

(iii) Equity Price Risk

The Company does not have any quoted investments and hence, is not exposed to equity price risk.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**27. FINANCIAL INSTRUMENTS (CONT'D)****27.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk**

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 1 (2020 – 1 and 2019 – Nil) customer which constituted approximately 12% (2020 – 11% and 2019 – Nil) of its trade receivables at the end of the reporting period.

(ii) 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 statements of financial position of the Group after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of financial assets at amortised cost are credit impaired.

The gross carrying amounts of those financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables

The Group applies the simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit loss, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group considers any receivables having financial difficulty and with significant balances and outstanding for more than 1 year overdue are deemed to have higher credit risk and are monitored individually.

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**27. FINANCIAL INSTRUMENTS (CONT'D)****27.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)***Trade Receivables (Cont'd)*

The expected loss rates are based on the loss given default and probability of default assigned, and are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables are summarised below:-

	Gross Amount RM'000	Collective Impairment RM'000	Carrying Amount RM'000
31.3.2019			
Current (not past due)	19,253	(385)	18,868
1 to 30 days past due	2,910	(58)	2,852
31 to 60 days past due	990	(20)	970
61 to 90 days past due	254	(5)	249
91 to 120 days past due	39	(1)	38
More than 121 days past due	326	(6)	320
Trade receivables	23,772	(475)	23,297

	Gross Amount RM'000	Collective Impairment RM'000	Carrying Amount RM'000
31.3.2020			
Current (not past due)	16,567	(385)	16,182
1 to 30 days past due	3,086	(58)	3,028
31 to 60 days past due	1,540	(20)	1,520
61 to 90 days past due	970	(5)	965
91 to 120 days past due	898	(1)	897
More than 121 days past due	480	(6)	474
Trade receivables	23,541	(475)	23,066

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 are summarised below (Cont'd):-

	Gross Amount RM'000	Collective Impairment RM'000	Carrying Amount RM'000
31.3.2021			
Current (not past due)	13,739	(144)	13,595
1 to 30 days past due	2,244	(83)	2,161
31 to 60 days past due	3,035	(101)	2,934
61 to 90 days past due	862	(55)	807
91 to 120 days past due	664	(51)	613
More than 121 days past due	2,983	(280)	2,703
Trade receivables	23,527	(714)	22,813

The movements in the loss allowances in respect of trade receivables are disclosed in Note 8 to the combined financial statements.

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. 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)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.1 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):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1-5 Years RM'000	Over 5 Years RM'000
31.3.2019						
<u>Non-derivative Financial Liabilities</u>						
Hire purchase	5.24	1,345	1,412	804	608	-
Term loans	5.05	10,219	12,402	1,449	5,315	5,638
Bankers' acceptance	4.84	765	765	765	-	-
Trade and other payables	-	5,132	5,132	5,132	-	-
		17,461	19,711	8,150	5,923	5,638

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.1 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):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1-5 Years RM'000	Over 5 Years RM'000
31.3.2020						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	5.17	593	608	462	146	-
Term loans	5.02	12,722	16,457	1,433	7,167	7,857
Bankers' acceptance	4.64	189	189	189	-	-
Trade and other payables	-	3,301	3,301	3,301	-	-
		16,805	20,555	5,385	7,313	7,857

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.1 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):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1-5 Years RM'000	Over 5 Years RM'000
31.3.2021						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	4.49	450	468	291	177	-
Term loan	4.27	12,342	15,741	1,433	7,167	7,141
Bankers' acceptance	3.41	4,184	4,184	4,184	-	-
Trade and other payables	-	8,332	8,332	8,332	-	-
		25,308	28,725	14,240	7,344	7,141

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**27. FINANCIAL INSTRUMENTS (CONT'D)****27.2 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 net debt divided by total equity. The Group includes within net debts, loans and borrowings from financial institutions less cash and bank balances. Capital includes equity attributable to the owners of the Group. The debt-to-equity ratio at the end of the reporting period was as follows:-

	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Term loans	10,219	12,722	12,342
Bankers' acceptance	765	189	4,184
Hire purchase	1,345	-	-
Lease liabilities	-	593	450
	<u>12,329</u>	<u>13,504</u>	<u>16,976</u>
Less: Cash and bank balances	(1,972)	(2,073)	(3,693)
Net debt	<u>10,357</u>	<u>11,431</u>	<u>13,283</u>
Total equity	<u>55,119</u>	<u>56,625</u>	<u>50,599</u>
Debt-to-equity ratio	<u>0.19</u>	<u>0.20</u>	<u>0.26</u>

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

27.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	As at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Financial assets			
<u>Amortised Cost</u>			
Trade and other receivables (Note 8)	23,663	23,094	22,856
Cash and bank balances	1,972	2,073	3,693
	<u>25,635</u>	<u>25,167</u>	<u>26,549</u>
Financial liabilities			
<u>Amortised Cost</u>			
Amount due to a director (Note 14)	52	-	-
Trade and other payables (Note 13)	5,132	4,301	8,332
Hire purchase payable (Note 16)	1,345	-	-
Lease liabilities (Note 10)	-	593	450
Term loan (Note 17)	10,219	12,722	12,342
Bankers' acceptance (Note 15)	765	189	4,184
	<u>17,513</u>	<u>17,805</u>	<u>25,308</u>

27.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	FYE at 31 March		
	2019 RM'000	2020 RM'000	2021 RM'000
Financial assets			
<u>Amortised Cost</u>			
Net gains/(losses) recognised in profit or loss	<u>(52)</u>	<u>44</u>	<u>102</u>
Financial liabilities			
<u>Amortised Cost</u>			
Net losses recognised in profit or loss	<u>(780)</u>	<u>(625)</u>	<u>(399)</u>

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**27. FINANCIAL INSTRUMENTS (CONT'D)****27.5 FAIR VALUE INFORMATION**

The fair values of the financial assets and financial liabilities of the Group that 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.

As the Group does not have any financial instruments carried at fair value, the following table sets out only the fair value profile of financial instruments that are not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
31.3.2019					
<u>Financial Liabilities</u>					
Hire purchase	-	1,345	-	1,345	1,345
Term loans:					
Floating rate	-	10,219	-	10,219	10,219
31.3.2020					
<u>Financial Liabilities</u>					
Term loans:					
Floating rate	-	12,722	-	12,722	12,722
31.3.2021					
<u>Financial Liabilities</u>					
Term loans:					
Floating rate	-	12,342	-	12,342	12,342

Fair Value of Financial Instruments not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- The fair value of the Group's term loan that carries floating interest rates approximated its carrying amount as it is repriced to market interest rate on or near the reporting date.
- The fair value of hire purchase payable that carries fixed interest rates is determined by discounting the relevant future contractual cash flows using current market interest rate for similar instrument at the end of the reporting period. The interest rate used to discount the estimated cash flows is as follows:-

	As at 31 March 2019 %
Hire purchase payable	1.98 – 4.46

12. ACCOUNTANTS' REPORT (Cont'd)**UNIQUE FIRE HOLDINGS BERHAD**

Registration No: 202101013602 (1413901-D)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)**28. INITIAL APPLICATION OF MFRS 16**

The Group has adopted MFRS 16 retrospectively from 1 April 2019 and has not restated the comparative information as permitted under the specific transition provisions in the standard. The Group has applied MFRS 16 only to contracts that were previously identified as leases under MFRS 117 'Leases' and IC Interpretation 4 'Determining Whether an Arrangement Contains a Lease'. Therefore, MFRS 16 has been applied only to contracts entered into or changed on or after 1 April 2019.

At 1 April 2019, for leases that were classified as finance leases, the Group has recognised the carrying amount of the leased asset and lease liability immediately before 1 April 2019 as the carrying amount of the right-of-use asset and the lease liability as at the date of initial application.

As a result, the Group did not make any adjustments to its retained profits upon the transition to MFRS 16 at 1 April 2019 other than the reclassification of certain balances in the Group's statement of financial position on that date.

29. SIGNIFICANT EVENT DURING THE REPORTING PERIOD

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The Group's operations have been disrupted by a series of precautionary and control measures taken by the government and private corporations in response to the category of the COVID-19 pandemic. The Group operations were temporarily closed down since 18 March 2020 and resumed operations at normal workforce capacity from 4 May 2020.

The Group received two written approvals from MITI to operate during phase 1 of the National Recovery Plan ("NRP") with 60% workforce capacity and operations as the Group's involvement in manufacturing and distribution of active fire protection systems, equipment and accessories is considered as an essential service. The first written approval was dated 30 May 2021 and the second written approval was dated 5 July 2021. On 3 July 2021, the Group operations were temporarily closed down due to Enhanced Movement Control Order ("EMCO") had been imposed in the area of the principal place of business. The Group resumed operations with a 60% workforce on 17 July 2021. The Group then returned to normal workforce capacity commencing from 23 August 2021.

Given the dynamic nature of the COVID-19 pandemic, it is not practicable to provide a reasonable estimate of its impacts on the Group's financial position, operating results and cash flows at the date on which these financial statements are authorised for issue.

30. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are as disclosed in Note 2.2 to the combined financial statements.

12. ACCOUNTANTS' REPORT (Cont'd)

UNIQUE FIRE HOLDINGS BERHAD

Registration No: 202101013602 (1413901-D)

STATEMENT BY DIRECTORS

We, Liew Sen Hoi and Liew Kang Yee, being two of the Directors of Unique Fire Holdings Berhad, state that, in the opinion of the directors, the combined financial statements set out on pages 5 to 65 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Prospectus Guidelines – Equity issued by the Securities Commission Malaysia so as to give a true and fair view of the financial position of the Group as at 31 March 2019, 31 March 2020 and 31 March 2021 and of their financial performance, and their cash flows for each of the financial years then ended.

Signed in accordance with a resolution of the directors dated **05 NOV 2021**

On behalf of the Board of Directors,



Liew Sen Hoi



Liew Kang Yee

13. ADDITIONAL INFORMATION

13.1 EXTRACT OF OUR CONSTITUTION

The following provisions are extracted from our Company's Constitution which complies with the Listing Requirements, the Act and the Rules.

The words and expressions appearing in the following provisions shall bear the same meanings used in our Company's Constitution unless they are otherwise defined or the context otherwise requires:

(i) Remuneration, voting and borrowing powers of Directors

(a) Directors' Remuneration

"Clause 21.4 Remuneration"

The Directors shall be paid by way of remuneration for their services such fixed sum as shall from time to time be determined by the Company in meeting of Members, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:

- (1) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (2) salaries payable to executive Directors may not include a commission on or percentage of profits or turnover;
- (3) fees payable to Directors and any benefits payable to Directors shall be subject to annual shareholder's approval by an Ordinary Resolution at a meeting of Members; and
- (4) 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 the latter.

"Clause 22.3 Remuneration of Managing Director"

The remuneration of a Managing Director shall be fixed by the Directors, and may be by way of fixed salary or commission or participation in profits or by any or all of those modes, but shall not include a commission on or percentage of turnover but it may be a term of his appointment that he shall receive pension, gratuity or other benefits upon his retirement."

(b) Voting and borrowing powers of Directors

"Clause 23.1 Powers and Duties of Directors"

The business and affairs of the Company shall be managed by, or under the direction of the Directors who may pay all such expenses of and preliminary and incidental to the promotion, formation, establishment and registration of the Company as they think fit, and may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company, and as are not by law or by this Constitution required to be exercised or done by the Company in meeting of Members, but the exercise of all such powers shall be subject to and in accordance with the provisions of any law and of this Constitution and shall also be subject to and in accordance with any resolution made by the Company in meeting of Members, provided that no resolution so passed shall invalidate any prior act of the Directors which would have been valid if such resolution had not been made. The general powers by this Clause shall not be limited or restricted by any special authority or power given to the Directors by any other Clauses.

13. ADDITIONAL INFORMATION (Cont'd)

Clause 23.2 Directors' Borrowing Powers

- (1) The Directors may from time to time at their discretion raise or borrow such sums of money as they think proper and may secure the repayment of such sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture stock or any mortgage or guarantee, charge or security on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being and borrow any money or mortgage or charge any of the Company's or the subsidiaries' 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 any subsidiary, associated or other companies or persons. Provided that the Directors shall not issue any debt securities convertible to ordinary shares without the prior approval of the Company in meeting of members.
- (2) Any debentures, debenture stock, bonds or other securities may be issued with any special privileges as to redemption, surrender, drawings, allotment of Shares, attending and voting at meeting of members of the Company, appointment of Directors and otherwise.
- (3) 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 in its ordinary course of business, 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 other persons so becoming liable as aforesaid from any loss in respect of such liability.
- (4) The Directors shall cause a proper register to be kept in accordance with Section 362 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 352 of the Act as regards the registration of mortgages and charges therein specified or otherwise.

Clause 23.3 Guarantee

The Directors may exercise all the powers of the Company to guarantee payment of money payable under contract obligations of any subsidiary company or companies with or without securities.

Clause 23.6 Power to execute cheques and receipts

All cheques, promissory notes, drafts, bills of exchange, other negotiable or transferable instruments and all receipts for money paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manners the Directors shall determine by resolution from time to time.

Clause 23.7 Directors' power to appoint attorney of the Company

The Directors may from time to time by power of attorney under the Seal appoint any corporation, firm or person or body of persons, whether nominated directly or indirectly by the Board to be the attorney/attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

13. ADDITIONAL INFORMATION (Cont'd)

Clause 25.1 Directors may establish committees, etc

The Directors may establish any committees, local boards or agencies, comprising of one (1) or more persons, for managing any of the affairs of the Company, either in Malaysia or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any person or persons to be the member or members of any such committee or local board, or any managers or agents, and may fix their remuneration, and may delegate to any such committee, local board, manager or agent any of these powers, authorities and discretion vested in the Directors, with power to sub-delegate, and may authorise the members of any such committee or local board, or any of them, to fix any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit and the Directors may remove any person or persons so appointed, and may annul or vary any such delegation, but no person or persons dealing in good faith without notice of any such annulment or variation shall be affected thereby.

The Company may pass a resolution of the committee either by way of a circular resolution or at a meeting of committee.

Clause 24.7 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 this Constitution vested in or exercisable by the Directors generally. Subject to this Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes of the Directors present and each Director having one (1) vote and determination by a majority of Directors shall for all purposes deemed as a decision from the Board.

Clause 24.8 Chairman's casting vote

Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a decision of the Board. Where at the meeting only two (2) Directors form the quorum and only such quorum is present at the meeting or only two (2) Directors are competent to vote on a question at issue, the chairman of the meeting shall not have a casting vote.

Clause 23.11 Declaration of interest by a director

A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the Act. Save as by the next following paragraph of this Clause otherwise provided and subject always to the Act and/or Listing Requirements, a Director shall not vote in respect of any contract or proposed contract or arrangement in which he is directly or indirectly interested. The Directors will not be considered as interested in the following circumstances:

- (a) any arrangement for giving to him any security or indemnity in respect of money lent by him 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 he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
- (c) any contract by him to subscribe for or underwrite share; or debentures of the Company; or

13. ADDITIONAL INFORMATION (Cont'd)

- (d) any contract or arrangement with any other company in which he is interested only as a director or other officer or creditor of or as a shareholder in or beneficially interested in the Shares of the Company."

(ii) Changes to Share Capital

Clause 15.1 Company may alter its capital in certain ways

Subject to the Applicable Laws, the Company may from time to time by Ordinary Resolution:

- (a) consolidate and divide all or any of its share capital into Shares of larger amount than its existing shares;
- (b) subdivide its share capital or any part thereof into shares of smaller amount than is fixed by this Constitution by subdivision of its existing shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting shares, one (1) or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividends, return of capital, voting or otherwise over the others or any other of such shares;
- (c) cancel Shares which at the date of the passing of the resolution in that behalf 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;
- (d) convert all or any of its issued Shares into stock and reconvert that stock into paid up Shares; and
- (e) subject to the provisions of this Constitution and the Act, convert and/or re-classify any class of Shares into any other class of Shares.

Clause 15.2 Power to reduce capital

The Company may by Special Resolution, reduce its share capital in any manner permitted or authorised under and in compliance with the Applicable Laws.

Clause 15.3 Purchase of own Shares

Subject to the provisions of the Act and/or the Applicable Laws, the Company may, with the sanction of an Ordinary Resolution of the Members in meeting of Members, purchase its own Shares and make payment in respect of the purchase and/or give financial assistance to any person for the purpose of purchasing its own Shares on such date(s), terms and manner as may be determined from time to time by the Directors. Any Shares in the Company so purchased by the Company shall be dealt with in accordance with the Act and/or the Applicable Laws. The provision of Clauses 15.1 and 15.2 hereof shall not affect the power of the Company to cancel any Shares or reduce its share capital pursuant to any exercise of the Company's power under this Clause.

Clause 16.1 Increase of share capital

The Company may from time to time, whether all the Shares for the time being issued shall have been fully called up or not, by Ordinary Resolution increase its share capital by the creation of new Shares, such new capital to be of such amount and to be divided into Shares of such respective amounts and (subject to any special rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any) or to be subject to such conditions or restrictions (if any), in regard to dividend, return of capital, voting or otherwise, as the Company by the resolution authorising such increase may direct.

13. ADDITIONAL INFORMATION (Cont'd)

Clause 17 Variation of Rights

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of seventy-five per centum (75%) of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that class. To every such separate meeting the provisions of this Constitution relating to meeting of Members shall mutatis mutandis apply so that the necessary quorum shall be two (2) Members at least holding or represented by proxy at least one-third (1/3) of the issued shares of the class and that any holder of Shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 292 of the Act shall apply with such adaptations as are necessary."

(iii) Transfer of securities

"Clause 11.2 Transfer of Securities

The transfer of any Deposited Security shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 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 Deposited Securities."

(iv) Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights

As at the date of this Prospectus, we only have one (1) class of shares, being ordinary shares, all of which rank equally with each other. There are no special rights attached to our Shares. Please refer to Section 4.1 of this Prospectus for a summary of the rights of our shareholders relating to voting, dividend and liquidation in respect of our Shares.

13.2 SHARE CAPITAL

- (i) None of our Group's capital is under any option or agreed conditionally or unconditionally to be put under any option as at the date of this Prospectus.
- (ii) No person has been or is entitled to be given an option to subscribe for any share, stock, debenture or other security of our Group, except for the Pink Form Allocation.
- (iii) There is no scheme involving our employees in the capital of our Group, except for the Pink Form Allocation.
- (iv) Save as disclosed in Sections 4.1.1, 6.1.3, 6.2.1 and 6.2.2 of this Prospectus, no shares, outstanding warrants, options, convertible securities or uncalled capital of our Group have been or are proposed to be issued as fully or partly paid-up, in cash or otherwise than in cash, within the three (3) years preceding the date of this Prospectus.
- (v) As at the date of this Prospectus, our Group does not have any outstanding convertible debt securities, options, warrants or uncalled capital.

13. ADDITIONAL INFORMATION (Cont'd)

13.3 LIMITATION ON THE RIGHT TO OWN SECURITIES

Save for the clauses below which have been reproduced below from our Company's Constitution, 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:

"Clause 18.7(c) Record of Depositors"

Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable) and notwithstanding any provision in the Act, a Depositor shall not be regarded as a Member entitled to attend any meeting of Members and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.

Clause 20.7 Members in default

No Member shall be entitled to be present or to vote at any meeting of Members or to exercise any privilege as a Member nor be counted as one of the quorums unless all calls or other sums immediately payable by him in respect of Shares in the Company have been paid."

13.4 PUBLIC TAKE-OVERS

None of the following has occurred during the last financial year and up to the LPD:

- (i) public take-over offers by third parties in respect of our Group's shares; and
- (ii) public take-over offers by us in respect of other company's shares.

13.5 EXCHANGE CONTROLS

Our Group has not established any other place of business outside of Malaysia and is not subject to governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and remittance of profits by or to our Group.

13.6 MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, we are not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant, which has a material effect on our financial position, and our Directors confirm that there are no proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect our financial position or business.

13.7 MATERIAL CONTRACTS

Save as disclosed below, we have not entered into any contracts which are material (not being contracts entered into in the ordinary course of business) within the period covered by the historical financial information as disclosed in this Prospectus up to the date of this Prospectus:

- (i) the Shares Sale Agreement dated 26 August 2021 entered between the shareholders of UFI, namely Liew Sen Hoi, Lim Show Ching, Marcus Liew, Ryan Liew, Roy Liew, and Ray Liew (collectively, as vendors) and Unique Fire (as purchaser) in relation to the Acquisition of UFI. Please refer to Section 4.1.1(a) of this Prospectus for further details;
- (ii) the Shares Sale Agreement dated 26 August 2021 entered between the shareholders of UDI, namely Liew Sen Hoi, Marcus Liew, Ryan Liew, Roy Liew, and Ray Liew (collectively, as vendors) and Unique Fire (as purchaser) in relation to the Acquisition of UDI. Please refer to Section 4.1.1(b) of this Prospectus for further details; and

13. ADDITIONAL INFORMATION (Cont'd)

- (iii) [the Underwriting Agreement.]

13.8 CONSENTS

- (i) The written consents of the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, Solicitors to our Company, Share Registrar, Issuing House and Company Secretaries for the inclusion in this Prospectus of their names in the form and context in which their names appear in this Prospectus have been given before the issue of this Prospectus, and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants for the inclusion in this Prospectus of their name, the Accountants' Report and the Reporting Accountants' Report on the Pro Forma Combined Statements of Financial Position as at 31 March 2021 in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.
- (iii) The written consent of the IMR for the inclusion in this Prospectus of its name and Industry Overview in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.

13.9 RESPONSIBILITY STATEMENTS

- (i) AIBB 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 relating to our IPO.
- (ii) This Prospectus has been seen and approved by our Directors, Promoters and Offeror, and 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.

13.10 DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of six (6) months from the date of this Prospectus:

- (i) our Constitution;
- (ii) the Industry Overview referred to in Section 7 of this Prospectus;
- (iii) the Reporting Accountants' Report on the Pro Forma Combined Statements of Financial Position of our Group as at 31 March 2021 referred to in Section 11.9 of this Prospectus;
- (iv) the Accountants' Report as included in Section 12 of this Prospectus;
- (v) the material contracts referred to in Section 13.7 of this Prospectus;
- (vi) the letters of consent referred to in Section 13.8 of this Prospectus; and
- (vii) the audited financial statements of UFI for the FYE 2019, FYE 2020 and FYE 2021; and
- (viii) the audited financial statements of UDI for the FPE 31 December 2018, FYE 31 December 2019, and FPE 31 March 2021.

14. 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 ISSUE 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 COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT OUR ISSUING HOUSE FOR FURTHER ENQUIRIES.

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

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

14.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: [●]

CLOSING OF THE APPLICATION PERIOD: [●]

Applications for the Issue Shares will open and close at the time and dates stated above.

In the event there is any change to the time and dates stated above, we will advertise the notice of the change in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

Late Applications will not be accepted.

14.2 METHODS OF APPLICATIONS

14.2.1 Application for our Issue Shares by the Malaysian Public and our eligible Directors, employees and persons who have contributed to the success of our Group

Application must accord with our 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 eligible Directors, employees and persons who have contributed to the success 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

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

14.2.2 Application by selected investors via placement

Types of Application	Application method
Applications by: Selected investors and Bumiputera investors approved by the MITI	The Placement Agent will contact the selected investors and Bumiputera investors approved by the MITI directly. They should follow the Placement Agent's instructions.

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

14.3 ELIGIBILITY

14.3.1 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 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 ISSUE SHARES OR MULTIPLES OF 100 ISSUE 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.

14.3.2 Application by the Malaysian Public

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

- (i) You must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our Issue Shares; or
 - (b) 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

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) 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
- (iii) You must submit Applications by using only one of the following methods:-
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

14.3.3 Application by eligible Directors, employees and persons who have contributed to the success of our Group

The eligible Directors, employees and persons (including any entities, wherever established) who have contributed to the success of our Group will be provided with Pink Application Forms and letters from us detailing their respective allocation.

Eligible Directors, employees and persons who have contributed to the success of our Group may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, our Issuing House, AIBB, Participating Organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

14.4 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 FULL amount payable is RM[●] for each IPO Share.

Payment must be made out in favour of “**TIIH SHARE ISSUE ACCOUNT NO. [●]**” 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:

- (i) despatched 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

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at Tricor Customer Service Centre, 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 [●] or by such other time and date specified in any change to the date and 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 Form to our Issuing House.

14.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our Issue 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.

14.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our Issue 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, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (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.

14.7 AUTHORITY OF OUR BOARD AND OUR ISSUING HOUSE

Our Issuing House, on the authority of our Board reserves the right to:

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

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) 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 14.9 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.

14.8 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 Issue 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://tiih.online> within 1 business 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).

In the event of an under-subscription of our Issue Shares by the Malaysian Public and / or eligible Directors, employees and persons who have contributed to the success of our Group, subject to the underwriting arrangements and reallocation as set out in Section 4.1.1(b) of our Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriters based on the terms of the Underwriting Agreement.

14.9 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.

14.9.1 For applications by way of Application Forms

- (i) 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.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) 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.
- (iii) 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 (i) and (ii) above (as the case may be).
- (iv) 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 (ii) above (as the case may be).

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

- (i) Our Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions 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 Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from our Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting date.
- (iii) 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 our 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 Institutions or Internet Participating Financial Institutions will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions or Internet Participating Financial Institutions will credit the application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from our Issuing House.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

14.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (i) Our Issue Shares allotted to you will be credited into your CDS account.
- (ii) 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.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. As such, our Issue Shares 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 Rules of Bursa Depository.
- (iv) 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.

14.11 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 and Authorised Financial Institution

The results of the allocation of Issue Shares derived from successful balloting will be made available to the public at the Issuing House website at <https://tiih.online>, 1 business Day after the balloting date.

You may also check the status of your Application by calling your respective ADA during office hours at the telephone number as set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

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