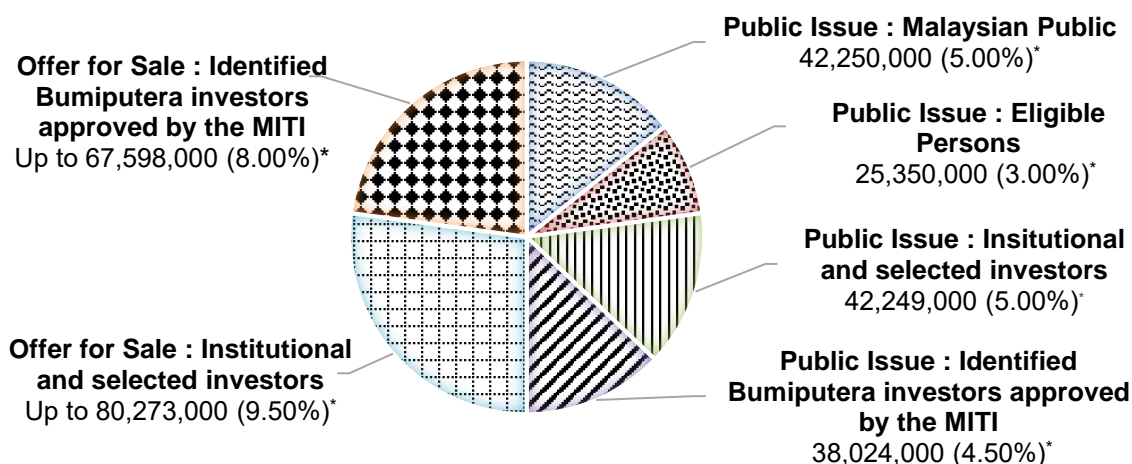


### 3. PROSPECTUS SUMMARY

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

#### 3.1 PRINCIPAL DETAILS OF OUR IPO



\* Computed based on the enlarged total number of 844,972,480 Shares after our IPO.

Subject to the terms and conditions of this Prospectus, our IPO comprises the Public Issue and Offer for Sale of up to 295,744,000 IPO Shares at our IPO Price of RM[●] per Share. Please refer to Section 4.1 of this Prospectus for further details.

#### 3.2 BUSINESS MODEL

Our Company was incorporated in Malaysia under the Companies Act 1965 on 9 April 1998 as a private limited company under the name of Regalcroft Sdn Bhd and is deemed registered under the Act.

We are specialists in security seals supported by manufacturing facilities in Malaysia, and offices in Malaysia and 11 foreign countries as at the LPD. We have the in-house expertise to carry out end-to-end design and manufacturing of security seals including identifying specific needs of target markets and applications, product conceptualisation, design and prototyping, and manufacturing.

Our business activities are as follows:



- Our security seals are designed and manufactured to **prevent goods from being tampered** and **unauthorised access** to provide assurance to our customers on the integrity and security of their goods during transportation and storage.
- We carry out trading and related activities to complement our in-house designed and manufactured security seals. This allows us to (i) **provide convenience** to our existing customers and (ii) **attract new customers**, as we are able to offer a wider range of related products.

### 3. PROSPECTUS SUMMARY

#### (i) Design and manufacturing

Our manufacturing facilities in Malaysia are equipped with horizontal and vertical injection moulding machines supported by in-house tooling capabilities for the fabrication of moulds, laser marking facilities and manual assembly for certain products. As at 30 June 2023, our annual production capacity of security seals is approximately 530 million pieces per year.

We have security seals that comply with ISO 17712 standards for three different classes including indicative (“I”), security (“S”) and high-security (“H”) classes. Our compliance with ISO 17712 standards requires adherence to specific design requirements to prevent illegal tampering or unauthorised access to goods, which include seal strength, identification and tamper-evidence. The ISO 17712 standards are for mechanical freight container seals but is sometimes also used as an indication of the security level of seals for other applications.

#### (ii) Trading and related services

We trade load securement products and other related products and services. Load securement products are used to secure cargo and loads inside vessels such as ships, trains, planes and trucks during transportation to prevent load shifting and damage to the products and cargo. The types of load securement products we trade include dunnage bags, polyester cord strapping and lashing systems. Other related products that we trade comprise security tapes and labels, and others related products such as security boxes and bags, TITO tickets, and UV casino scanner.

In addition, we distribute and maintain a playing card security box tracking software system. We source the system from our supplier who is the developer and owner of the said system

As at the LPD, we have operations in 12 countries as shown below:

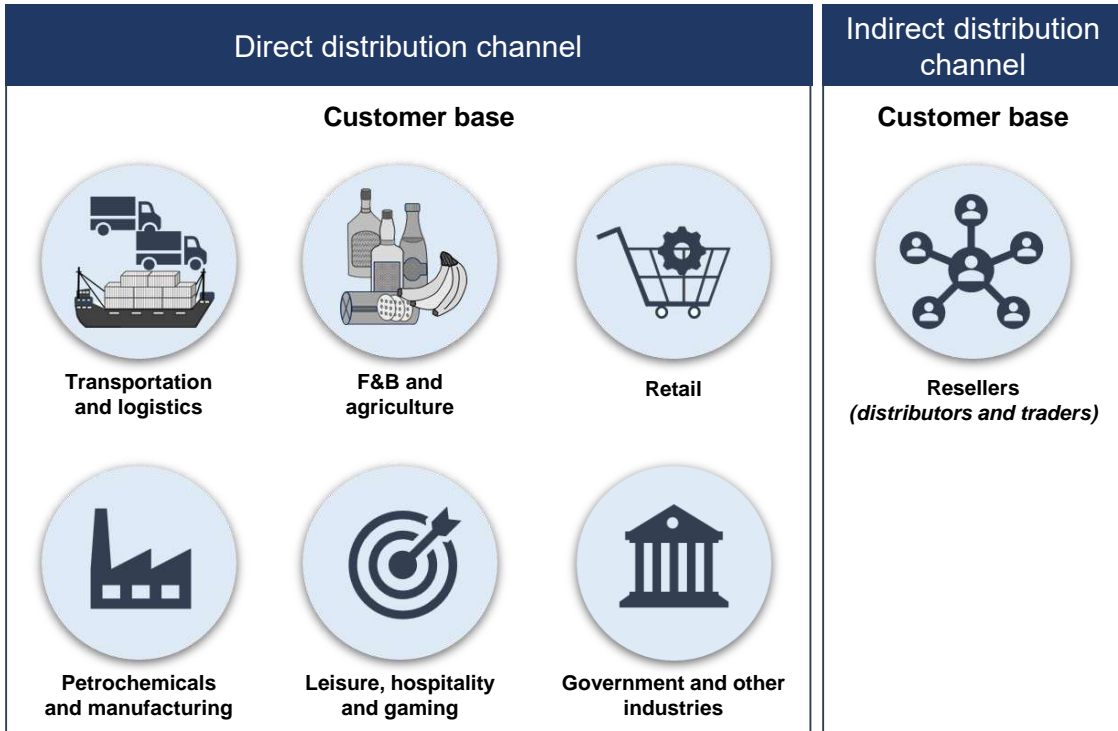


■ Revenue contribution of more than 10% for at least one of the FYE Under Review

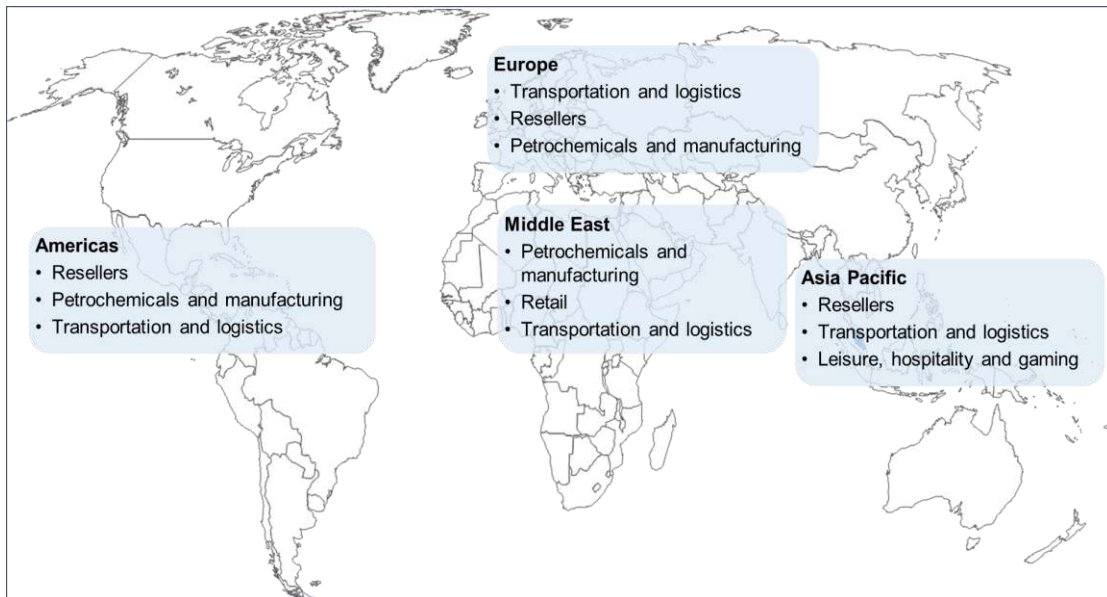
Our revenue was mainly derived from our combined foreign operations which accounted for 78.65%, 79.27% and 75.48% of our total revenue for FYE 2021, FYE 2022 and FYE 2023 respectively; whilst our operations in Malaysia accounted for 21.35%, 20.73% and 24.52%.

### 3. PROSPECTUS SUMMARY

We mainly adopt a direct distribution channel where we market and sell our products directly to customers who are the end-users of our products. We also utilise an indirect distribution channel where we sell our products to resellers who will subsequently resell them to end-users or other resellers, as shown below:



We serve customers in diverse industries within various regions namely, Asia Pacific, Europe, Americas and Middle East regions. This is supported by our offices in Malaysia and 11 foreign countries. For the FYE Under Review, our top three customer bases/end-user industries in each of the regions we serve are set out below:



Please refer to Section 7.3 of this Prospectus for further details.

### 3. PROSPECTUS SUMMARY

#### 3.3 AWARDS AND RECOGNITIONS

As at the LPD, we have been accredited with the following certifications and management systems:

Certification	Scope	Issuing party	Validity period
ISO 14001: 2015	Design, manufacture and supply of security seals	SGS United Kingdom Ltd	June 2022 – June 2025
ISO 9001: 2015	Design, manufacture and supply of security seals	SGS United Kingdom Ltd	June 2022 - June 2025
ISO 17712: 2013	Design and manufacturing of security seals	SGS United Kingdom Ltd	June 2023 – June 2024

Please refer to Section 7.2 of this Prospectus for further details.

#### 3.4 BRAND NAMES, PATENTS, TRADEMARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS

As at the LPD, we have registered over 16 trademarks, 19 patents and 20 industrial designs which are used in our operations in over 30 countries, some of which we have licensed to our distributors for their operations and promotional materials.

Please refer to Section 7.22 and Annexure B of this Prospectus for further details.

#### 3.5 OUR COMPETITIVE STRENGTHS

- (i) We have an **established track record of 28 years** in the security seal industry to serve as a reference and the platform to sustain and grow our business;
- (ii) Our in-house designed and manufactured products are mainly marketed and **sold under our brand “Mega Fortris” to enable us to build brand equity** to sustain and grow our business;
- (iii) We have **patented products that protect our design and innovation** to sustain our competitive advantages;
- (iv) We **have a wide range of security products** that enable us to address a large number of user industries to sustain and grow our business;
- (v) We have **wide geographic coverage (including Asia Pacific, Europe, the Americas and the Middle East)** to provide us with a large addressable market;
- (vi) We **sell to intermediaries such as distributors and traders to enlarge our market coverage** without requiring us to invest in sales resources and infrastructure;
- (vii) We have **offices in 12 countries** to sustain and grow our business;
- (viii) Our products are **essential products for some end-user industries** to ensure the integrity and security of goods during transportation and storage; and
- (ix) We have **experienced Executive Directors and Key Senior Management** to sustain and grow our business.

Please refer to Section 7.5 of this Prospectus for further details.

### 3. PROSPECTUS SUMMARY

#### 3.6 OUR BUSINESS STRATEGIES AND PLANS

Our key strategies and plans include expanding facilities in our existing markets in Malaysia and Europe to support our business expansion as well as venturing into a new business which requires us to set up new manufacturing facilities in Malaysia and Macao.

A summary of our business strategies and plans is as follows:



Please refer to Section 7.19 of this Prospectus for further details.

#### 3.7 UTILISATION OF PROCEEDS

The total gross proceeds of approximately RM[•] million from the Public Issue will be utilised by our Group in the following manner, and as further set out in Section 4.5 of this Prospectus:

Utilisation of proceeds	Amount of proceeds		Estimated timeframe for utilisation from the date of our Listing
	(RM '000)	%	
Capital expenditures for:			
(i) establishment of a new UK Factory	[•]	[•]	Within 36 months
(ii) new business venture in Macao	[•]	[•]	Within 36 months
Working capital	[•]	[•]	Within six months
Defray listing expenses	[•]	[•]	Immediate
<b>Total</b>	<b>[•]</b>	<b>100.00</b>	

### 3. PROSPECTUS SUMMARY

#### 3.8 RISK FACTORS

Our business is subject to a number of risk factors, many of which may have a material adverse impact on our business operations, financial position and performance. Set out below are the key risks faced by us in our business operations:

- (i) we are exposed to risks of damage to our reputation and brand equity, and imitation of our products.
- (ii) we are exposed to risk of foreign exchange rate fluctuation.
- (iii) we are exposed to risk of increase in freight rates.
- (iv) we are subject to regulations relating to occupational safety and health administration and environment.
- (v) we are dependent on our major licences, permits and regulatory approvals from relevant government authorities and regulatory agencies.
- (vi) we are subject to the availability of labour for our production operations and the increasing labour costs.
- (vii) we may not be able to realise the anticipated benefits of our future plans.
- (viii) we may be exposed to the risks of non-renewal of certain certifications.
- (ix) we are dependent on our Executive Directors and Key Senior Management for our continued success and growth of our business.
- (x) we are exposed to the risk of our distributors who use our brand name “Mega Fortris” tarnishing our brand and reputation.
- (xi) we are exposed to risks of disruptions to our business operations at our manufacturing plants in Malaysia.

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

#### 3.9 OUR DIRECTORS AND KEY SENIOR MANAGEMENT

Name	Designation
<b>Directors</b>	
Dato' Nick Ng	Non-Independent Non-Executive Chairman
Datuk Adrian Ng	Group Managing Director cum Group Chief Executive Officer
Ng Weng Choi	Non-Independent Executive Director
Shireen Iqbal Binti Mohamed Iqbal	Senior Independent Non-Executive Director
Tan Kok Yang	Independent Non-Executive Director
Lew Siew Yen	Independent Non-Executive Director
<b>Key Senior Management</b>	
Sim Li Huang	Group Chief Finance Officer
Jason Francis White	Group Chief Operating Officer
Ng Foong Yuon	Compliance Director

Please refer to Sections 5.2 and 5.4 of this Prospectus for further details.

### 3. PROSPECTUS SUMMARY

#### 3.10 OUR PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

Details of our Promoters, substantial shareholders, Directors, and Key Senior Management and their shareholdings in our Company (before and after our IPO) are set out below:

Name	Nationality / Country of Incorporation	As at the LPD and before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
		No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
<b><u>Promoters and substantial shareholders</u></b>									
Dato' Nick Ng	Malaysian	-	-	697,099,480	100.00	-	-	549,228,480	65.00
Datuk Adrian Ng	Malaysian	-	-	697,099,480	100.00	-	-	549,228,480	65.00
Mega Fortris Capital	British Virgin Islands	-	-	697,099,480	100.00	-	-	549,228,480	65.00
Ng Brothers Estate	Malaysian	-	-	697,099,480	100.00	-	-	549,228,480	65.00
Mega Fortris Global	Singaporean	697,099,480	100.00	-	-	549,228,480	65.00	-	-
<b><u>Substantial shareholders</u></b>									
OCBC	Singaporean	-	-	697,099,480	100.00	-	-	549,228,480	65.00
LOCAH	Singaporean	-	-	697,099,480	100.00	-	-	549,228,480	65.00

Please refer to Sections 5.1, 5.2 and 5.4 of this Prospectus for further details.



### 3. PROSPECTUS SUMMARY

#### 3.11 FINANCIAL AND OPERATIONAL INFORMATION

The following sets out a summary of our combined financial information for the FYE Under Review, and as further set out in Sections 12 and 13 of this Prospectus:

	<b>Audited</b>		
	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Combined statements of profit or loss and other comprehensive income</u></b>			
Revenue *	135,098	155,211	161,303
GP *	47,791	51,569	61,724
Profit from operations *	9,399	10,829	23,485
PBT *	7,007	8,532	19,725
PAT *	4,556	6,972	15,901

#### **Combined statements of cash flows**

Net cash from operating activities	15,824	7,713	19,534
Net cash (used in)/from investing activities	(5,983)	(4,989)	1,524
Net cash used in financing activities	(16,993)	(480)	(15,792)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(7,152)</b>	<b>2,244</b>	<b>5,266</b>
Effect of exchange rate differences	(52)	970	3,664
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>18,198</b>	<b>10,994</b>	<b>14,208</b>
<b>Cash and cash equivalent at the end of the financial year</b>	<b>10,994</b>	<b>14,208</b>	<b>23,138</b>

#### **Other selected financial information**

EBITDA (RM'000)	17,590	19,765	32,200
GP margin (%)	35.38	33.23	38.27
PBT margin (%)	5.19	5.50	12.23
PAT margin (%)	3.37	4.49	9.86

\* Results from continuing operations

#### 3.12 DIVIDEND POLICY

We target a payout ratio of up to 30% of our PAT attributable to owners of our Company for each financial year on a consolidated basis after taking into account our Group's working capital requirements, subject to any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our cash requirements or any plans approved by our Board.

Further details of our dividend policy are set out in Section 12.5 of this Prospectus.