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

Our IPO comprises the following:-

(i) Retail Offering

75,000,000 Issue Shares at the Issue Price in the following manner:-

(i) 30,000,000 Issue Shares made available for application by the Malaysian Public through a balloting process, of which 15,000,000 Issue Shares will be set aside for Bumiputera investors; and

(ii) 45,000,000 Issue Shares reserved for application by our Eligible Persons.

(ii) Institutional Offering

127,500,000 Issue Shares and 135,000,000 Offer Shares at the IPO Price by way of private placement to identified institutional and/or selected investors.

(iii) LTIP

In conjunction with our Listing, our Group has established an LTIP, comprising ESOS and ESGS, of up to 10.00% of the total number of issued shares in SQAI (excluding treasury shares, if any) at any point in time during the LTIP for the eligible Directors and employees of our Group which shall be administered in accordance with the By-Laws.

For avoidance of doubt, SQAI does not intend to grant any ESOS Options or ESGS Shares in conjunction with the Listing.

(iv) Moratorium on our Shares

In accordance with Paragraphs 5.29(a) and 5.30, Part II of the Equity Guidelines, our Moratorium Providers have undertaken not to sell, transfer or assign any of their aggregate shareholdings of 1,163,500,000 Shares, which represents approximately 77.57% of the enlarged issued share of our Company for a period of 6 months from the date of our Listing.

Please refer to **Section 4.3** of this Prospectus for further details on our IPO.

3.2 History and business

Our Company was incorporated in Malaysia under the Act 1965 on 8 February 1999 as a private limited company under the name of All Malaysian Technology Sdn Bhd and is deemed registered under the Act. Our Company changed its name to Qdos Holdings Bhd on 2 March 1999 and converted to a public company on 31 October 2005. On 8 August 2025, our Company changed its name from Qdos Holdings Bhd to its current name.

Our principal activity is investment holding whilst our subsidiaries are principally involved in the manufacturing and assembly of FPC and manufacturing of IC substrates, covering circuit design, prototype fabrication and production.

We operate in Malaysia and the PRC, with our headquarters located in Penang, Malaysia. In Malaysia, we have 2 manufacturing facilities, namely the Bayan Lepas Plant and the Batu Kawan Plant. Additionally, we have 1 manufacturing facility in Xiamen, Fujian Province, PRC, namely the Xiamen Plant. Please refer to **Sections 6** and **7** of this Prospectus for further details on our history, group structure and business.

3.3 Competitive strengths

Our competitive strengths are summarised as follows:-

(i) Our established track record of 33 years in FPC manufacturing and 13 years in IC substrate manufacturing provides a competitive advantage by fostering credibility and trust among our customers and enhancing awareness of our market presence. Our diversified customer base comprising approximately 380 customers across approximately 33 shipment destination markets for the Financial Years Under Review demonstrates the breadth of our market reach and the confidence placed in us as a reliable manufacturer of FPC and IC substrate to sustain and grow our business.

(ii) We have in-depth manufacturing expertise supported by our ongoing investments in advanced process technologies and patents, enabling us to provide reliable products and value-added services to meet the evolving needs of our customers. Our customisation and design-for-manufacturing capabilities enable us to support our customers in developing new products, enhancing time-to-market, and optimising manufacturing yields and costs.

(iii) With two core products, we have 2 growth drivers to support our business. For the Financial Years under Review, our FPC segment, comprising the manufacturing and assembly of FPC, which accounted for 82.89% (RM260.0 million), 80.23% (RM273.1 million) and 80.06% (RM294.3 million), while the remainder was from the manufacturing of IC substrate. Our 2 core products also provide business diversity to mitigate overdependence on a single industry. These products are positioned differently in the value chain, where IC substrates are at the manufacturing, assembly, testing and packaging of the semiconductor industry value chain, while FPCs are at the frontend in the electronics industry. We leverage our strength and capabilities across both the FPC and IC substrate segments, allowing us to tap into a wide range of industry applications and shipment destinations.

(iv) Our ability to comply with industry certifications is critical for our FPC and IC substrate manufacturing operations. Our capability to meet demanding standards demonstrates our commitment to reliable manufacturing, traceability, and rigorous quality control. Our ability and track record in manufacturing products that comply with stringent requirements demonstrate the quality of our work and serve as a reference point for retaining existing customers and securing new ones.

(v) Our Group is led by Jeffrey Hwang, our Promoters, substantial shareholders, Managing Director and CEO, who has approximately 16 years of experience in the semiconductor and electronics sectors and is responsible for setting the overall strategic direction and business planning to drive the growth and expansion of our Group. Our business is also supported by Brian Low, our Promoters, substantial shareholders, Executive Director and President of PRC Operations, who has approximately 26 years of experience in the electronics sector and is primarily responsible for the overall management and business development of our PRC Operations. They are further supported by our Key Senior Management who possess strong industry knowledge and technical expertise over years of experience in their respective fields.

Please refer to **Section 7.5** of this Prospectus for further information on our competitive advantages and key strengths.

3.4 Business strategies and plans

Our business strategies and plans are summarised as follows:-

3.4.1 FPC expansion

We plan to expand the production facilities and capabilities of our FPC manufacturing at the Bayan Lepas Plant and Xiamen Plant, and undertake R&D initiatives at the Xiamen Plant, as follows:-

(i) **Expanding and modernising production facilities and capabilities** of our FPC plants involves the purchase and installation of additional equipment to strengthen our manufacturing and assembly capabilities and support future business growth. This will increase the annual production capacity of our Bayan Lepas Plant and Xiamen Plant, by approximately 50.00%, from approximately 112 million pieces as at the LPD to 168 million pieces by 2029;

(ii) **Factory upgrade** to undertake renovations works and upgrade key supporting systems at our Xiamen Plant. The renovation works will involve the reorganising and expansion of existing production areas, which would allow our Group to accommodate additional equipment and improve workflow efficiency. The upgrading of key supporting systems will include the wastewater treatment systems and cold storage facilities; and

(iii) **Expanding R&D facilities and capabilities** at our Xiamen Plant aimed at evaluating, developing and qualifying new process technologies and process flow. These initiatives are intended to establish high-precision process capabilities that enable ultra-fine line widths and spacing, high interconnection density and enhanced electrical performance, thereby strengthening our technology competitiveness in FPC manufacturing.

3.4.2 IC substrate expansion

The expansion and enhancement of our IC substrate facilities at our Batu Kawan Plant involves purchasing additional equipment to strengthen our manufacturing capabilities and support our future business growth. The expansion will increase the annual production capacity of our Batu Kawan Plant, with total annual IC substrate manufacturing capacity expected to increase by approximately 40.00% from 600 million pieces to 840 million pieces by 2029.

3.4.3 Vertical expansion to advanced semiconductor packaging

Our vertically integrated production plan will encompass the entire manufacturing process, from IC substrate manufacturing to advanced semiconductor packaging. Our initial investment will focus on establishing an R&D production facility dedicated to advanced packaging. This enables us to accelerate innovation and enhance package performance to meet growing demand for high-density, high-performance semiconductors. Over time, this is expected to broaden our product offerings and diversify our revenue streams.

3.4.4 Digitalisation and marketing strategies

(i) **Operations digitalisation**

As part of our long-term growth strategy to centralise operations, our Group plans to invest in new software for our Group production planning and monitoring process and in-house circuit design and engineering process.

The digitalisation is expected to improve efficiency, reduce errors and accelerate the design-to-production cycle.

(ii) Marketing strategies

Our plans include expanding our marketing efforts to enhance our market presence and customer engagement. These initiatives aim to raise awareness of our technical capabilities, manufacturing capacity, and service offerings, while fostering long-term relationships with both existing and potential customers. Our sales and marketing team will focus on participating in industry trade fairs, exhibitions, and shows in key markets, including Japan, Europe, and the USA. This will allow us to engage directly with customers, industry stakeholders, and potential business partners.

Please refer to **Section 7.28** of this Prospectus for further information on our business strategies and plans.

3.5 Risk factors

Before investing in our Shares, you should carefully consider, along with the other matters set out in this Prospectus, the risks and investment considerations. The following are some of the key risks affecting our business, operations and industry we are currently facing or may develop in the future.

3.5.1 Risks relating to our business operations

(i) We rely on specialised and precious metal-based materials and electrical components for our production. These input materials are essential to ensure the structural integrity, electrical performance, and reliability of our final products. In the event of any disruption in supply, it could lead to a delay in production and order fulfilment. Further, certain specialised input materials, including copper-based materials and gold-based chemical compounds, contain precious metals which are subject to global price fluctuations.

(ii) We have business operations in Malaysia and the PRC. For the Financial Years Under Review, our sales transactions and procurement of input materials were conducted in the local currencies of our operating countries and in foreign currencies. As such, we are exposed to foreign exchange fluctuations, mainly the USD and RMB.

(iii) Sales of our FPCs and IC substrates are conducted based on confirmed purchase orders, and we do not have purchase orders with a contract period of more than 1 year. In this respect, our revenue is typically non-recurring after order fulfilment or customer delivery. Further, our IC substrate segment relies on a major customer who contributed significantly to our IC substrate revenue. As such, our business and financial performance depend on our ability to secure new orders from existing and new customers consistently.

(iv) Our FPC and IC substrate manufacturing businesses are technology-driven and subject to technological advancements in materials, processes, equipment, and design capabilities. If we fail to anticipate or respond effectively to technological changes, it may result in product obsolescence, reduced competitiveness, lower customer demand, or pricing pressure.

(v) Our strategies and plans are focused on leveraging our core strengths and capitalising on our expertise in FPC and IC substrate development and manufacturing. These strategies and plans include expanding and upgrading our facilities in Malaysia and the PRC to support our growth, and venturing into new business areas by expanding vertically from IC substrates to advanced semiconductor packaging in Malaysia. We may not be able to effectively execute some of our business strategies and plans.

(vi) Our FPC and IC substrate operations depend on skilled and experienced technical workforce across various engineering disciplines. In the event of any shortage or high employee turnover, knowledge gaps and operational disruptions may affect production efficiency, yield performance, quality and delivery schedules, leading to higher scrap rates and operating costs, or delays in customer qualification and new product introduction.

(vii) Any unplanned equipment breakdowns or malfunctions could result in production downtime, yield losses, and delays in order fulfilment. Furthermore, disruptions to the utility supply may result in unplanned production shutdown and reduced production throughput, whilst labour supply shortage prevents us from maintaining a stable workforce which could adversely affect our business operations and financial performance.

Our business operations are subject to laws and regulations relating to operational, environmental, and occupational health and safety matters. Any failure to comply with applicable laws, regulations or licence conditions may result in fines, penalties, suspension or revocation of licences and cause reputational damage.

(viii) Although our eligibility for income tax exemptions are valid over the prescribed period of time, there can be no assurance that such income tax exemptions will be maintained throughout the relevant time period as such tax incentives are subject to periodic review and may be revoked at any time should specific criteria to qualify for the tax incentive be not met.

(ix) The loss of the services of our Executive Directors or any Key Senior Management, without suitable and timely replacements, may adversely affect our business operations and financial performance.

(x) We are subject to risks relating to the potential exposure of our proprietary information, as well as the exclusive, trade secret, or confidential information of our customers, arising from security breaches, system vulnerabilities, employee negligence, errors, or misconduct. Any failure to adequately safeguard such information may result in legal claims, contractual disputes, regulatory scrutiny, financial liabilities, and reputational damage, as well as a loss of customer trust and confidence. Such incidents could materially and adversely affect our business relationships, reputation, results of operations, and financial performance.

(xi) Our IC substrate manufacturing operations and product offerings depend partly on technology licenses and technical know-how transferred from a third-party technology licensor and transfer partner which exposes us to the associated risks such as termination or restriction in the technology license.

(xii) According to the Chinese Mainland Social Insurance Law and Regulations on the Management of Housing Provident Fund, our PRC Operations are required to make contributions to social insurance and housing provident funds for our PRC employees. Non-compliance with these requirements may expose us to administrative penalties. During the Financial Years under Review, our PRC Operations did not make full contributions to the social insurance and housing provident funds for certain employees in accordance with the relevant Chinese Mainland laws and regulations. For further information, please refer to **Section 7.26.2(vi)(b)** of this Prospectus.

(xiii) We cannot assure that we will be able to complete the required registrations, filings or obtain the necessary approvals in a timely manner, or at all, in connection with future loans or capital contributions to our PRC subsidiaries. Any failure to comply with applicable Chinese Mainland laws and regulations could restrict our ability to fund our PRC Operations, utilise proceeds from our offshore offerings, or provide financial support to our PRC Operations. This could materially and adversely affect our business, financial condition, liquidity and ability to fund and expand our operations.

3.5.2 Risks relating to our industry

(i) Our business is exposed to restrictive trade practices and trade policy measures in certain markets, particularly the USA, one of our major shipment destination markets. The USA tariffs may affect our customers' cost structures for their final products, potentially leading to supply chain adjustments or requests for pricing flexibility. To some extent, such developments may influence end-market demand and, in turn, indirectly affect demand for our products in the semiconductor and electronics industry which in turn affect our operations within the semiconductor and electronics industry in Malaysia and the PRC.

(ii) Demand for FPC and IC substrates is closely correlated with the performance, growth cycles, and investment activities of end-user industries. Although our products are used across a diversified range of industries, any slowdown, downturn, or prolonged weakness in these end-user industries could result in reduced order volumes, delays or cancellations of customer projects, and increased pricing pressure.

(iii) We generally compete on a variety of factors, including product quality and reliability, access to technological advancements, price competitiveness, financial strength in terms of working capital, availability or willingness to invest in technology development and resources, customer service, prompt delivery, track record and market reputation. Failure to remain competitive, quickly adapt to changing market conditions and technological trends, or effectively build on our strengths could adversely affect our prospects, business operations, and financial performance.

(iv) Any adverse changes in the political, social, economic and regulatory conditions in Malaysia and the PRC may harm our business operations and financial performance. As such, there can be no assurance that any adverse economic, social, political, and regulatory developments which are beyond our control will not materially affect our business operations and financial performance.

Please refer to **Section 5** of this Prospectus for further details on our risk factors.

3.6 Non-compliances with the relevant laws, regulations, rules and requirements governing the conduct of the operations of our Group

As at the LPD, we are not in full compliance with certain applicable laws, regulations and rules relating to the compliance of 1 of the express conditions stated in the land of the Bayan Lepas Plant. The total estimated cost of rectification of RM15,254 and maximum potential penalty of RM37,000 per annum (calculated based on an initial fine of RM500 and a further fine of RM100 per day, if continuing breach), which if simultaneously imposed on a maximum basis would amount to less than 0.1% of PBT for the FYE 2025 are not material to our Group.

Furthermore, we did not make full contributions to the social insurance and housing provident funds for certain employees in accordance with the relevant Chinese Mainland laws and regulations. According to relevant Chinese Mainland laws and regulations, we may be required to make additional contributions to the social insurance fund and/or housing provident fund as well as late payment fines and penalties.

Given that (i) we are not subject to any penalties and had not received any notice from the authorities ordering it to make contributions; (ii) pursuant to the relevant policies, local authorities generally shall not conduct centralised collection of historical arrears, and based on check with the relevant local authorities confirmed that they typically do not retroactively require shortfall contributions unless specific complaints are filed; and (iii) no complaints raised by our employees with respect to the above as at the LPD, our Chinese Mainland Legal Adviser is of the view that the likelihood that we would be subject to administrative penalties due to our failure to provide full social insurance and housing provident fund contributions is remote under the premise that there are no significant changes to current Chinese Mainland policies and regulations or to the enforcement and supervision requirements of local governments, and assuming no employee complaints are filed.

3.7 Our Directors and Key Senior Management

Our Directors and Key Senior Management are set out as follows:-

Name	Designation
Directors	
Dato' Hwang Thean Long	Non-Independent Non-Executive Chairman
Datuk Radzali Bin Hassan	Non-Independent Non-Executive Director
Jeffrey Hwang	Managing Director and CEO
Brian Low	Executive Director and President of PRC Operations
Dato' Lim Bee Vian	Senior Independent Non-Executive Director
Lam Voon Kean	Independent Non-Executive Director
Noor Alina Binti Mohamad Faiz	Independent Non-Executive Director
Dr. Lee Teck Kheng	Independent Non-Executive Director
Key Senior Management	
Sim Gaik Lan	CFO
Malaysia Operations	
Whong Poh Choon	Vice President, Strategic Customers Management
Ang Toon Yoon	Vice President, IC Substrate Operations
Balaguru A/L Shanmugam	Vice President, FPC Operations
Mohammed Iqbal Siddiqui	Vice President, Development
PRC Operations	
Chen Bo	Vice President, Manufacturing
Yuan Lin Hui	Vice President, Quality and Engineering
Chan Kok Yeow	Vice President, Administration

Please refer to **Sections 9.2.2** and **9.4.2** of this Prospectus for further details of our Directors and Key Senior Management.

3.8 Our Promoters and substantial shareholders

Our Promoters and substantial shareholders, as well as their respective shareholdings in our Company, are set out as follows:-

Promoters and substantial shareholders	Nationality / Place of incorporation	Before the IPO				After the IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)(%)	No. of Shares	(1)(%)	No. of Shares	(2)(%)	No. of Shares	(2)(%)
Promoters and substantial shareholders									
Jeffrey Hwang	Malaysian	-	-	(3)(8)1,297,500,000	100.00	75,000,000	5.00	(3)796,875,000	53.12
Brian Low	Malaysian	-	-	(4)(8)1,297,500,000	100.00	28,125,000	1.88	(4)262,500,000	17.50
Substantial shareholders									
Twisden	British Virgin Islands	135,000,000	10.40	-	-	-	-	-	-
SQTSB	Malaysia	1,162,500,000	89.60	-	-	-	-	-	-
SQ Technology Limited	Hong Kong	-	-	(5)1,162,500,000	89.60	-	-	-	-
SQ Technology Group Limited	Cayman Islands	-	-	(6)1,162,500,000	89.60	-	-	-	-
SQT Holdings	British Virgin Islands	-	-	(7)1,162,500,000	89.60	796,875,000	53.12	-	-
SQ Venture	British Virgin Islands	-	-	(7)1,162,500,000	89.60	262,500,000	17.50	-	-

Notes:-

(1) Based on our existing issued share capital comprising 1,297,500,000 Shares after the Pre-IPO Restructuring but before the IPO.

(2) Based on our enlarged issued share capital comprising 1,500,000,000 Shares after the IPO.

(3) Deemed interested by virtue of his shareholding in SQT Holdings, applying Section 8(4) of the Act.

(4) Deemed interested by virtue of his shareholding in SQ Venture, applying Section 8(4) of the Act.

(5) Deemed interested by virtue of its shareholding in SQTSB, applying Section 8(4) of the Act.

(6) Deemed interested by virtue of its shareholding in SQT Technology Limited, applying Section 8(4) of the Act.

(7) Deemed interested by virtue of its shareholding in SQ Technology Group Limited, applying Section 8(4) of the Act.

(8) Deemed interested by virtue of his shareholding in Twisden, applying Section 8(4) of the Act.

Please refer to **Section 9.1.3** of this Prospectus for further details of our Promoters and substantial shareholders.

3.9 Use of proceeds

The total gross proceeds from the Public Issue amounting to RM[●] million based on the Issue Price of RM[●] per Issue Share are expected to be utilised by our Group in the following manner:-

Details of use	Estimated timeframe for use upon Listing	(RM'000)	Percentage of gross proceeds (%)
(i) Expansion of our facilities	Within 36 months	[●]	[●]
(ii) Research and development expenditure	Within 36 months	[●]	[●]
(iii) Talent development and retention	Within 36 months	[●]	[●]
(iv) Working capital	Within 24 months	[●]	[●]
(v) Repayment of existing bank borrowings	Within 3 months	[●]	[●]
(vi) Other fees and expenses relating to our IPO and Listing	Within 3 months	[●]	[●]
Total		**[●]**	**100.00**

Please refer to **Section 4.6** of this Prospectus for further details on the use of proceeds from the Public Issue.

3.10 Financial highlights

The historical financial information presented below should be read in conjunction with the management's discussion and analysis of financial condition and results of operations as set out in **Section 12.3** of this Prospectus and the Accountants' Report, together with the accompanying notes, assumptions and bases as set out in **Section 13** of this Prospectus. There were no audit qualifications on our audited financial statements for the Financial Years Under Review.

Historical combined statements of comprehensive income

The following table sets out a summary of the audited combined statements of comprehensive income for the Financial Years Under Review:-

	Audited		
	FYE 2023 (RM'000)	**FYE 2024 (RM'000)**	**FYE 2025 (RM'000)**
Profit or loss			
Revenue	313,708	340,425	367,658
GP	93,361	106,310	119,968
Other operating income	34,474	28,419	25,523
PBT	77,074	84,753	92,088
PAT	68,600	74,816	80,166
EBITDA(1)	91,505	104,054	118,693
Other selected financial information			
GP margin (%)(2)	29.76	31.23	32.63
PBT margin (%)(3)	24.57	24.90	25.05
PAT margin (%)(4)	21.87	21.98	21.80
EBITDA margin (%)(5)	29.17	30.57	32.28

	Audited		
	FYE 2023 (RM'000)	FYE 2024 (RM'000)	FYE 2025 (RM'000)
Basic and diluted EPS (sen)(6)	4.57	4.99	5.34
Equity attributable to owners of our Company	433,000	435,688	384,205
Current ratio (times)	3.65	2.96	2.67
Gearing ratio (times)	0.11	0.03	0.05
Trade receivables turnover period (days)	104	96	87
Trade payables turnover period (days)	83	75	70
Inventory turnover period (days)	66	58	56
Cash flows			
Net cash from operating activities	96,022	97,077	88,708
Net cash (used in)/from investing activities	(97,887)	22,366	(11,856)
Net cash used in financing activities	(20,528)	(81,486)	(99,136)

Notes:-

*(1) The reconciliation of our PBT to EBITDA is set out in **Section 12.1** of this Prospectus.*

(2) GP margin is computed based on the GP over revenue of our Group.

(3) PBT margin is computed based on the PBT over revenue of our Group.

(4) PAT margin is computed based on the PAT over revenue of our Group.

(5) EBIDTA margin is computed based on the EBIDTA over revenue of our Group.

(6) Basic and diluted EPS is computed based on PAT divided by the number of issued Shares of 1,500,000,000 after our IPO. There are no dilutive instruments as at the end of the respective financial years.

3.11 Dividend policy

The dividends declared and paid for the Financial Years Under Review are set out as follows:-

	FYE 2023	FYE 2024	FYE 2025
Dividend declared and paid in respect of each FYE (RM'000)	-	68,114	106,934
Dividend paid (RM'000)	-	68,114	106,934
PAT (RM'000)	68,600	74,816	80,166
Dividend payout(1) (%)	-	91.04	133.39

Note:-

(1) Calculated based on the dividend declared divided by our Group's PAT.

SECL had on 31 December 2025 declared a dividend of RMB249.00 million (equivalent to RM144.7 million based on exchange rate of RMB1.00 to RM0.5812 as at the 31 December 2025) in respect of financial year ended 31 December 2025 and is expected to be paid to Twisden by May 2026. In addition, our Company may declare and pay another dividend of up to RM20.0 million by April 2026. The dividend payment will be funded via internally generated funds.

We target a payout ratio of 30% of our PAT attributable to owners of our Company for each financial year on a combined 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. Please refer to **Section 12.6** of this Prospectus for further details on our dividend policy.