7. BUSINESS OVERVIEW

7.1 OVERVIEW OF OUR BUSINESS

7.1.1 History of our business

Our Group's history can be traced back to 2011 with the incorporation of Polymer Link Malaysia under the Companies Act 1965, by 2 unrelated third party individuals holding 1 Polymer Link Malaysia share each (with each third party individual holding 50.0% equity interest). Thereafter, in addition to the 2 unrelated third party individuals transferring their Polymer Link Malaysia shares to Koh Tat Chuan and Koh Tat Wei, Polymer Link Malaysia allotted 97 new Polymer Link Malaysia shares to Dr Paul James Nugent, Mohannad Soruji, Koh Tat Wei, Koh Tat Chuan and Shereen Koh in the same month.

In 2012, Dr Paul James Nugent, Shereen Koh and Mohannad Soruji transferred in total 77 Polymer Link Malaysia shares representing 72.9% equity interest in Polymer Link Malaysia to Koh Tat Chuan and Koh Tat Wei resulting in Koh Tat Chuan and Koh Tat Wei holding 50.5% and 49.5% equity interest in Polymer Link Malaysia.

In April 2013, Polymer Link Holdings was incorporated in Malaysia under the name of Brics Holdings Sdn Bhd under the Companies Act 1965 and had subsequently changed its name to Polymer Link Holdings Berhad in September 2017. Koh Tat Chuan joined our Group through his appointment to our Board as an Executive Director in 2013. He ceased to be a Director in our Company and assumed the position of Group Senior Vice President in February 2025.

In 2014, Koh Song Heng joined our Group when he assumed the position of General Manager in Polymer Link Malaysia. Under his leadership, Polymer Link Malaysia commenced business operations in manufacturing plastic powder on tolling basis for a customer in Malaysia. He was subsequently appointed to our Board in 2017, a position which he currently holds, and he is also our Executive Vice Chairman/President & Group Chief Executive Officer. Koh Tat Wei also joined our Group in 2014 as Operations Manager of Polymer Link Malaysia and he was then appointed as Executive Director on our Board in 2016. Koh Tat Wei ceased to be a Director in our Company and assumed the position of Head of Supply Chain & Administration in February 2025.

In 2014, Teoh Lee Tean, Geeslin Montemayor Adarlo, Argel Joseph Baculo Adarlo and once again, Dr Paul James Nugent, had become shareholders of Polymer Link Malaysia following the allotment of new Polymer Link Malaysia shares. Following the allotment of new shares, the shareholders had transferred their shares between themselves, resulting in Teoh Lee Tean, Koh Tat Chuan and Koh Tat Wei holding 33.0%, 20.5% and 21.5% equity interest in Polymer Link Malaysia respectively, while Dr Paul James Nugent, Geeslin Montemayor Adarlo and Argel Joseph Baculo Adarlo held 12.5%, 6.3% and 6.2% equity interest in Polymer Link Malaysia respectively as at 22 October 2015. This shareholding structure remained unchanged until all of the shareholders transferred all of their shares to Polymer Link Holdings on 7 December 2017 as part of its listing scheme in relation to the listing of Polymer Link Holdings on the LEAP Market.

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7. BUSINESS OVERVIEW *(Cont'd)*

A summary on the resultant shareholding structure of Polymer Link Malaysia is as follows:

	Direct			
Shareholders	**As at 1 November 2011**	**As at 16 November 2012**	**As at 22 October 2015**	**As at 7 December 2017**
	(%)	**(%)**	**(%)**	**(%)**
Dr Paul James Nugent[(1)]	33.4	-	12.5	-
Mohannad Soruji[(2)]	33.3	-	-	-
Koh Tat Chuan[(3)(5)]	11.1	50.5	20.5	-
Koh Tat Wei[(4)(5)]	11.1	49.5	21.5	-
Shereen Koh[(5)]	11.1	-	-	-
Teoh Lee Tean[(6)]	-	-	33.0	-
Geeslin Montemayor Adarlo[(7)]	-	-	6.3	-
Argel Joseph Baculo Adarlo[(7)]	-	-	6.2	-
Polymer Link Holdings[(8)]	-	-	-	100.0
Total	**100.0**	**100.0**	**100.0**	**100.0**

Notes:

(1) Dr Paul James Nugent was appointed as a director of Polymer Link Malaysia in 2014 and our Company in 2017. He resigned from our Company and Polymer Link Malaysia in 2023.

(2) Mohannad Soruji is an unrelated party.

(3) Koh Tat Chuan is currently our Group Senior Vice President.

(4) Koh Tat Wei is currently our Head of Supply Chain & Administration.

(5) Koh Tat Chuan, Koh Tat Wei and Shereen Koh are siblings.

(6) Teoh Lee Tean and Koh Song Heng are spouses and parents to Koh Tat Chuan, Koh Tat Wei and Shereen Koh.

(7) Geeslin Montemayor Adarlo and Argel Joseph Baculo Adarlo are spouses.

(8) Following the transfer of Polymer Link Malaysia shares from all shareholders to Polymer Link Holdings pursuant to its listing on the LEAP Market.

Polymer Link Holdings was successfully listed on the LEAP Market on 27 April 2018 and had voluntarily delisted from the LEAP Market on 9 December 2020.

Following share transfers and the issuance of new shares after the voluntary delisting, the shareholding structure of Polymer Link Holdings as at the LPD is as follows:

	Direct
Shareholders	**As at the LPD**
	(%)
Dr Paul James Nugent[(1)]	29.9
Koh Tat Chuan[(2)(4)]	10.4
Koh Tat Wei[(3)(4)]	10.8
Teoh Lee Tean[(5)]	10.0
Geeslin Montemayor Adarlo[(6)]	15.0
Argel Joseph Baculo Adarlo[(6)]	15.0
Koh Song Heng[(5)(7)]	#
Other shareholders[(8)]	8.9
Total	**100.0**

7. BUSINESS OVERVIEW *(Cont'd)*

Notes:

\# Less than 0.1% equity interest.

(1) Dr Paul James Nugent was appointed as a director of Polymer Link Malaysia in 2014 and our Company in 2017. He resigned from our Company and Polymer Link Malaysia in 2023.

(2) Koh Tat Chuan is currently our Group Senior Vice President.

(3) Koh Tat Wei is currently our Head of Supply Chain & Administration.

(4) Koh Tat Chuan and Koh Tat Wei are siblings.

(5) Teoh Lee Tean and Koh Song Heng are spouses and parents to Koh Tat Chuan and Koh Tat Wei.

(6) Geeslin Montemayor Adarlo and Argel Joseph Baculo Adarlo are spouses.

(7) Koh Song Heng is currently our Executive Vice Chairman/President & Chief Executive Officer.

(8) Comprises our other shareholders who are not related parties.

7.1.2 Key events and milestones

The key events and milestones of our Group are summarised in the following table:

Year	Key Events and Milestones
2011	Polymer Link Malaysia was incorporated in Malaysia in September 2011 and commenced business operations in December 2014 as a manufacturer of plastic powder on a tolling basis.
2013	Polymer Link Holdings(1) was incorporated in Malaysia in April 2013 and commenced operations in December 2017 as an investment holding company.
2014	We commenced business operations in December 2014 in the manufacturing of plastic powder on a tolling basis for a customer in Malaysia, where the input materials (namely plastic resins) were provided by the customer. We were operating at our Former Malaysia Factory which were rented premises.
2015	We served our first customer outside of Malaysia, namely Outback Philippines in the Philippines, when Polymer Link Malaysia started supplying manufactured plastic powder for general applications to them.
2016	As part of our management's strategy, we expanded our manufacturing operations to the Philippines where we incorporated Polymer Link Philippines in April 2016. We commenced the construction of the Philippines Factory in the province of Pampanga in the Central Luzon region of the Philippines in May 2016 which was subsequently completed in February 2017. We established our Philippines Factory to have a manufacturing facility close to Outback Philippines to facilitate customer engagement and deliveries of manufactured plastic powder, and also to provide a backup manufacturing facility for our Group.
2017	Our Philippines Factory became operational and we commenced the manufacture of plastic powder in April 2017.

7. BUSINESS OVERVIEW *(Cont'd)*

Year	Key Events and Milestones
2018	• Polymer Link Engineering[(2)] was incorporated in Malaysia in April 2018 and commenced business in the trading of equipment and products in June 2018. We mainly traded in air compressors and lubricants. • Polymer Link Holdings was listed on the LEAP Market of Bursa Securities in April 2018. • Maqqo Philippines was incorporated in the Philippines in December 2018 and commenced business operations in April 2019 in the trading of equipment and products. Similarly, Maqqo Philippines mainly traded in air compressors and lubricants.
2019	• Through Polymer Link Malaysia, we acquired a piece of land with land area of approximately 214,998 sq ft in Port Klang in Selangor, Malaysia in September 2019. To expand our business operations in Malaysia, we commenced the construction of Phase 1 of our Malaysia Factory on this land in July 2020 and completed construction works in July 2021. We subsequently terminated our tenancy agreement for the Former Malaysia Factory, relocated our plastic powder manufacturing machinery and equipment and commenced our manufacturing plastic powder business activity at the Phase 1 building of our Malaysia Factory in August 2021. • We made our first sale to a customer in Poland in July 2019, Promens Miedzyrzecz Sp. Z.O.O. (now known as Rotovia Miedzyrzecz Sp. Z.O.O.), which comprised manufactured plastic powder for general applications through Polymer Link Philippines.
2020	• We expanded our operations to India and incorporated Polymer Link India in January 2020 which commenced business operations in September 2020. Polymer Link India is involved in the manufacturing of plastic powder in Daman, India through our India Factory, which is on rented premises. Polymer Link India made its first sale in 2020, which comprised manufactured plastic powder for specialty applications to the OK Play Group in India. • In December 2020, Polymer Link Holdings was voluntarily delisted from the LEAP Market of Bursa Securities.
2021	• Polymer Link Color & Additives was incorporated in Malaysia in October 2021 and commenced business in the manufacturing of masterbatch in 2022. • We made our first sales to a customer in USA in August 2021 comprising manufactured plastic powder for specialty applications to Akro Plastics, Inc.
2022	• We started manufacturing our masterbatch for in-house use in October 2022 and for sale to third-party customers in November 2022.

7. BUSINESS OVERVIEW *(Cont'd)*

Year	Key Events and Milestones
2023	• Polymer Link USA became our wholly-owned subsidiary in December 2023[3] and the company commenced business operations in the marketing and supply of plastic powder in January 2024. • We made our first sale to a customer in Australia in April 2023 comprising manufactured plastic powder for general and specialty applications. • As part of our plans to expand our facilities, in November 2023 we commenced construction on a new single-storey warehouse and factory as well as a double-storey office building (Phase 2) with built-up area of approximately 64,777.2 sq ft on vacant land that is part of our current Malaysia Factory, where the construction has been completed and the CCC has been issued on 22 May 2025[4].
2024	• We further expanded our business operations to Australia through our subsidiary, Polymer Link Australia in March 2024[5], following which it made its first sale in April 2024 in the marketing and supply of plastic powder.
2025	• The solar PV system with installed capacity of 947.1 kilowatt peak on the rooftop of the Phase 1 building of our Malaysia Factory became operational in September 2025. • We made our first sale to a customer in New Zealand in March 2025 comprising manufactured plastic powder for general applications.

Notes:

(1) Our Company was incorporated under the name of Brics Holdings Sdn Bhd and changed its name to Polymer Link Holdings in September 2017.

(2) The company was incorporated under the name of Maqqo Synergy Engineering Sdn Bhd and changed its name to Polymer Link Engineering in May 2023.

(3) Polymer Link USA was incorporated in May 2023 and became a wholly-owned subsidiary of our Company following the subscription via Polymer Link India on 15 December 2023 for 400,000 shares of common stock in Polymer Link USA, representing 100.0% equity interest in Polymer Link USA, for a total cash consideration of USD40,000 (equivalent to approximately RM188,682 as set out in the Accountants' Report. Please refer to **Section 13** of this Prospectus for the Accountants' Report).

(4) Phase 2 is designated as a warehouse and office.

(5) On 31 March 2024, our Company via Polymer Link Malaysia subscribed for 102,000 ordinary shares in Polymer Link Australia, representing 51.0% equity interest in Polymer Link Australia, for a total cash consideration of AUD102,000 (equivalent to approximately RM318,882 as set out in the Accountants' Report. Please refer to **Section 13** of this Prospectus for the Accountants' Report).

On 1 October 2024, our Company via Polymer Link Malaysia acquired the remaining 98,000 ordinary shares in Polymer Link Australia from PL AUS Pty Ltd, representing 49.0% equity interest in Polymer Link Australia, for a total consideration of AUD98,000 (equivalent to approximately RM275,774 as set out in the Accountants' Report. Please refer to **Section 13** of this Prospectus for the Accountants' Report).

7. BUSINESS OVERVIEW *(Cont'd)*

7.1.3 Our awards and recognitions

Some of the awards and recognitions that we have received up to the LPD include the following:

Year	Subsidiary	Awarding Organisation	Awards and Recognitions
2019	Polymer Link Malaysia	Alps Polymer (M) Sdn Bhd	Best Supplier Award.
2025	Polymer Link Malaysia	Outback Philippines	Best Supplier Award for 2025.

7.1.4 Our certifications and registrations

Our subsisting certifications and registrations as at the LPD are summarised in the following table:

Subsidiary	Certification or Registration	Awarding Organisation	Initial Date[(1)]	Expiry Date[(2)]
Polymer Link Malaysia	ISO 9001:2015 quality management system certification in the scope of manufacture of polymer for rotational moulding industry and other speciality markets, and provision of toll processing services for natural and compounded resins.	BSI Services Malaysia Sdn Bhd	25 November 2019	24 November 2028
Polymer Link Philippines	ISO 9001:2015 quality management system certification in the scope of manufacture of polymer for rotational moulding industry and provision of toll processing services for natural and compounded resins.	BSI Group Philippines, Inc.	1 October 2020	30 September 2026
Polymer Link Malaysia	ISO 14001:2015 environmental management system certification in the scope of manufacture of polymer for rotational moulding industry and other specialty markets, and provision of toll processing services for natural and compounded resins.	BSI Services Malaysia Sdn Bhd	17 April 2024	16 April 2027
Polymer Link India	ISO 9001:2015 quality management system certification in the scope of manufacture, supply and export of rotomoulding materials for the global market.	United Registrar of Systems (URS) India	14 June 2024	13 June 2027
Polymer Link India	ISO 14001:2015 environmental management system certification in the scope of manufacture, supply and export of rotomoulding materials for the global market.	URS India	14 June 2024	13 June 2027

7. BUSINESS OVERVIEW *(Cont'd)*

Subsidiary	Certification or Registration	Awarding Organisation	Initial Date[(1)]	Expiry Date[(2)]
Polymer Link India	ISO 45001:2018 occupational health and safety management system certification in the scope of manufacture, supply and export of rotomoulding materials for the global market.	URS India	14 June 2024	13 June 2027

Notes:

(1) Initial date of the certification or registration.

(2) The expiry date of the subsisting certification or registration.

As at the LPD:

- Polymer Link Malaysia has not obtained ISO 45001:2018 occupational health and safety management system certification as it is not a regulatory requirement for the Malaysia Factory to operate;

- our Company, Polymer Link Australia, Polymer Link USA, Polymer Link Engineering, and Maqqo Philippines do not have ISO 9001:2015 quality management system certification, ISO 14001:2015 environmental management system certification and ISO 45001:2018 occupational health and safety management system certification as these subsidiaries are not involved in manufacturing operations;

- Polymer Link Color & Additives does not have ISO 9001:2015 quality management system certification, ISO 14001:2015 environmental management system certification and ISO 45001:2018 occupational health and safety management system certification. This subsidiary has not obtained these certifications as most of its masterbatch output are for our in-house consumption and its third-party customers do not require such certification; and

- Polymer Link Philippines does not have ISO 14001:2015 environmental management system certification and ISO 45001:2018 occupational health and safety management system certification. This subsidiary has not obtained these certifications as its customers do not require such certification.

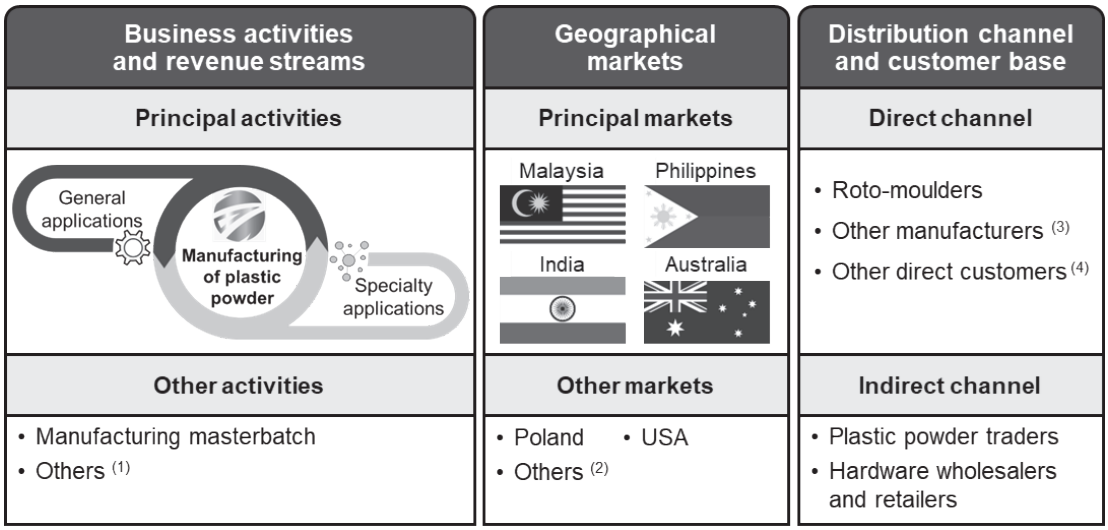
Notwithstanding the above, the operations of the abovementioned subsidiaries are not dependent on the said subsidiaries obtaining the said certifications.

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7. BUSINESS OVERVIEW *(Cont'd)*

7.1.5 Our business model

Our business model is depicted in the following diagram:



Notes:

(1) Others include toll manufacturing, contract roto-moulding, trading equipment and products and providing equipment maintenance services. Moving forward, we will discontinue trading equipment and products and providing equipment maintenance services to focus on our principal activity of manufacturing plastic powder.

(2) Others markets include, but are not limited to, Fiji, Israel, New Zealand, Papua New Guinea, Mexico, Singapore, and the United Kingdom.

For the Period Under Review, Polymer Link Philippines had sold plastic powder to their customers based in Israel wherein the revenue generated from the said customers amounted to 0.03% and 2.5% of the total revenue for the respective FYEs 2022 and 2023. Whilst the sale of plastic powder to Israel is not prohibited under the relevant laws and regulations of the Philippines, Polymer Link Malaysia had on behalf of Polymer Link Philippines, manufactured and shipped polyethylene powder to their customers in Israel, which on a technicality, resulted in a breach by Polymer Link Malaysia of the Malaysian laws and regulations as disclosed in **Section 7.24.1(viii)** of this Prospectus. Notwithstanding that there is no such prohibition under the relevant laws and regulations in the Philippines, in which Polymer Link Philippines is incorporated in, our Group has ceased all dealings and/or transactions with the customers in Israel since October 2023. Notwithstanding that revenue from the said customers are on a rise from FYE 2022 to FYE 2023, beginning October 2023 (FYE 2024), our Group has decided the following:

(i) Polymer Link Philippines or any other existing or future foreign subsidiaries of our Group to cease all dealings and/or transactions with the customers in Israel and shall, moving forward, not have any dealings and/or transactions with any specified person, for as long as the same is prohibited under the laws of Malaysia, notwithstanding that there is no such prohibition under the relevant laws and regulations in the respective countries in which such subsidiaries are incorporated in; and

(ii) Polymer Link Malaysia or any other Malaysian subsidiaries of our Group will continually not engage in any dealings and/or transactions with any specified person, for as long as the same is prohibited under the laws of Malaysia.

(3) Other manufacturers refer to those that purchase plastic powder to manufacture products using manufacturing methods other than roto-moulding, such as injection moulding and blow moulding.

7. BUSINESS OVERVIEW *(Cont'd)*

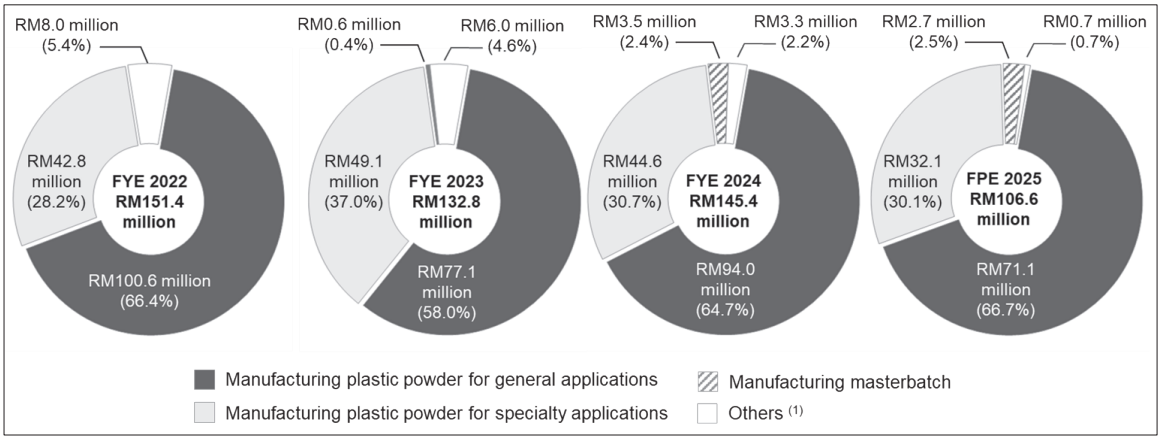
(4) Other direct customers include logistics services companies, vehicle and other workshops, and machinery operators.

7.1.6 Business activities and revenue streams

Our principal business activities are manufacturing of plastic powder for general and specialty applications. We are also involved in other business activities, namely manufacturing masterbatch as well as toll manufacturing, contract roto-moulding, trading equipment and products and providing equipment maintenance services. Moving forward, we will discontinue the trading of equipment and products and equipment maintenance to focus on our principal activity of manufacturing plastic powder.

For the Period Under Review, our revenue segmentation by business activities is as follows:

Revenue segmentation by business activities



Note:

(1) Others include toll manufacturing, contract roto-moulding, trading of equipment and products and equipment maintenance.

(i) Manufacturing plastic powder

The main processes of our manufacturing of plastic powder comprise formulation, compounding and grinding. Our formulation requires us to have the technical knowledge of all relevant input materials including the type of plastic resin, masterbatch and/or additives to use as well as their ratio or respective concentration, volume or weight. Formulation is key to obtaining the required colour, properties and characteristics of the final manufactured plastic product. A small proportion of the plastic powder that we manufacture do not involve formulation and compounding, but only grinding of plastic pellets. The types of plastic resin that we mainly use are PE in its various forms such as LLDPE and HDPE. Our plastic powder is mainly used in roto-moulding.

We currently manufacture plastic powder for the following:

- general applications; and
- specialty applications.

(a) Plastic powder for general applications

Manufacturing plastic powder for general applications was our largest revenue contributor accounting for 66.4%, 58.0%, 64.7% and 66.7% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

7. BUSINESS OVERVIEW *(Cont'd)*

Plastic powder for general applications is used to manufacture products meant for day-to-day use and are not subjected to harsh conditions such as exposure to corrosive chemicals. Most of the plastic powder for general applications that we manufacture comprises compounded plastic, while a small proportion comprises non-compounded plastic.

(b) Plastic powder for specialty applications

Revenue from manufacturing plastic powder for specialty applications accounted for 28.2%, 37.0%, 30.7% and 30.1% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Plastic powder for specialty applications is used to manufacture products that have enhanced properties compared to plastic powder for general applications. This is to cater for special environmental and usage conditions such as direct contact with corrosive chemicals, long-term exposure to sunlight, or usage in very low temperature environments, and specific physical characteristics such as being flame retardant, highly rigid and highly impact resistant. All of the plastic powder for specialty applications that we manufacture is compounded plastic powder as we would need to compound the plastic resin with specially selected additives and/or masterbatch to obtain the required product properties and characteristics.

(ii) Manufacturing masterbatch

We started to manufacture masterbatch for sales to third-party customers in November 2022, and we also manufacture masterbatch for our in-house use as an input material for the manufacturing of plastic powders. For the Period Under Review, the manufacture of masterbatch accounted for nil, 0.4%, 2.4% and 2.5% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

(iii) Other business activities

Revenue from other business activities accounted for 5.4%, 4.6%, 2.2% and 0.7% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Our other business activities include the following:

- toll manufacturing, which accounted for 0.4%, 0.1%, 0.3% and 0.4% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. This involves manufacturing plastic powder where the plastic resins are provided by the customer;

- contract roto-moulding, which accounted for 0.3%, 0.5%, 0.4% and 0.2% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. This involves supplying roto-moulded plastic products (manufactured by our subcontractors) to customers;

- trading of equipment and products, such as air compressors, air receiver tanks, air dryers, spare parts and lubricant oil, which accounted for 4.5%, 3.9%, 1.5% and less than 0.1% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. Moving forward, we will discontinue the trading of equipment and products to focus on our principal activity of manufacturing plastic powder; and

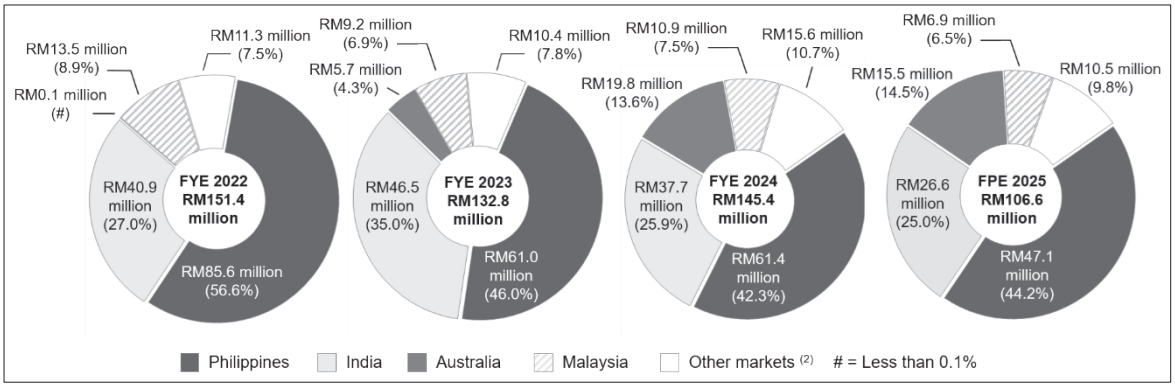
- equipment maintenance, which accounted for 0.2%, 0.1%, less than 0.1% and less than 0.1% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. We provide scheduled and corrective maintenance for equipment such as air compressors, air receiver tanks and air dryers. Moving forward, we will discontinue the equipment maintenance business activities to focus on our principal activity of manufacturing plastic powder.

7. BUSINESS OVERVIEW *(Cont'd)*

7.1.7 Principal markets

Our principal markets are the Philippines, India, Malaysia and Australia, which accounted for most of our revenue during the Period Under Review. Our revenue segmented by geographical markets is summarised as follows:

Revenue segmentation by geographical markets(1)



Notes:

(1) Based on a customer's address on the invoice.

(2) Other markets include, but are not limited to, Fiji, Israel, New Zealand, Papua New Guinea, Mexico, Poland, Singapore, the United Kingdom, and USA.

For the Period Under Review, Polymer Link Philippines had sold plastic powder to their customers based in Israel wherein the revenue generated from the said customers amounted to 0.03% and 2.5% of the total revenue for the respective FYEs 2022 and 2023. Whilst the sale of plastic powder to Israel is not prohibited under the relevant laws and regulations of the Philippines, Polymer Link Malaysia had on behalf of Polymer Link Philippines, manufactured and shipped polyethylene powder to their customers in Israel, which on a technicality, resulted in a breach by Polymer Link Malaysia of the Malaysian laws and regulations as disclosed in **Section 7.24.1(viii)** of this Prospectus. Notwithstanding that there is no such prohibition under the relevant laws and regulations in the Philippines, in which Polymer Link Philippines is incorporated in, our Group has ceased all dealings and/or transactions with the customers in Israel since October 2023. Notwithstanding that revenue from the said customers are on a rise from FYE 2022 to FYE 2023, beginning October 2023 (FYE 2024), our Group has decided the following:

(i) Polymer Link Philippines or any other existing or future foreign subsidiaries of our Group to cease all dealings and/or transactions with the customers in Israel and shall, moving forward, not have any dealings and/or transactions with any specified person, for as long as the same is prohibited under the laws of Malaysia, notwithstanding that there is no such prohibition under the relevant laws and regulations in the respective countries in which such subsidiaries are incorporated in; and

(ii) Polymer Link Malaysia or any other Malaysian subsidiaries of our Group will continually not engage in any dealings and/or transactions with any specified person, for as long as the same is prohibited under the laws of Malaysia.

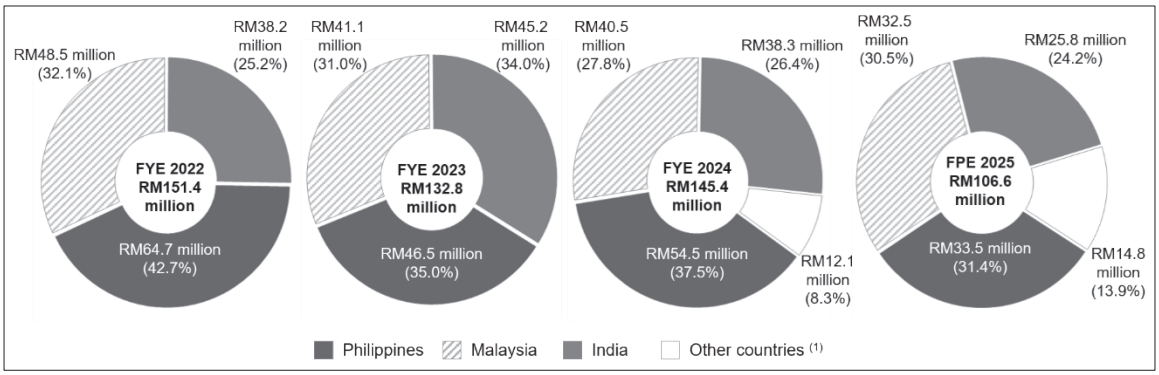
During the Period Under Review, our largest market was the Philippines followed by India. Australia was our fastest-growing market with revenue CAGR of 337.5% between FYE 2022 and FPE 2025.

7. BUSINESS OVERVIEW *(Cont'd)*

7.1.8 Revenue by country of operations

For the Period Under Review, we have manufacturing and sales operations in Malaysia, the Philippines and India, and sales operations in Australia and USA. Our revenue by country of operations is depicted in the diagram below:

Revenue segmentation by country of operations



Note:

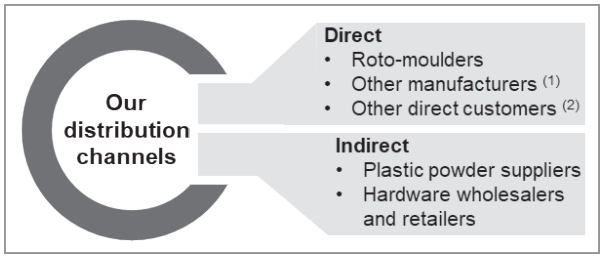
(1) Other countries comprised Australia and USA.

7.1.9 Distribution channels and customer base

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. Most of our manufactured plastic powder for general and specialty applications are sold directly to end-users comprising roto-molders and other manufacturers.

Some of our trading of equipment and products are sold directly to end-users such as logistics services companies, vehicle and other workshops, and machinery operators.

Our direct distribution channel strategy enables us to target end-users to cultivate long-term business relationships with our customers. This is important to facilitate a better understanding of the operational and technical requirements of our customers to facilitate improvements in product functionality and quality which would also enable us to continuously develop or enhance our product offerings.



Notes:

(1) Other manufacturers refer to those that purchase plastic powder to manufacture products using manufacturing methods other than roto-moulding, such as injection moulding and blow moulding.

(2) Other direct customers include logistics services companies, vehicle and other workshops, and machinery operators.

We also utilise the indirect distribution channel where we sell our products to resellers who will subsequently resell them to end-users or others. Our indirect distribution channel mainly consists of sales of plastic powder to plastic powder suppliers, as well as sales of equipment and products to hardware wholesalers and retailers. Our indirect distribution channel strategy enables us to gain access to a wider market reach in domestic and foreign countries without requiring investment in sales infrastructure and resources to reach end-users.

7. BUSINESS OVERVIEW *(Cont'd)*

The revenue contribution from our direct and indirect distribution channels and types of customers for the Period Under Review is summarised in the following table:

	FYE 2022		FYE 2023		FYE 2024	
Distribution channel	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Direct	**143,131**	**94.6**	**128,520**	**96.7**	**133,081**	**91.6**
Roto-moulders	133,270	88.1	119,285	89.8	124,151	85.4
Other manufacturers(1)	4,797	3.2	5,042	3.8	7,142	4.9
Other direct customers(2)	5,064	3.3	4,193	3.1	1,788	1.3
Indirect	**8,225**	**5.4**	**4,324**	**3.3**	**12,279**	**8.4**
Plastic powder suppliers	5,252	3.5	2,455	1.8	(3)9,374	6.4
Hardware wholesalers and retailers	2,973	1.9	1,869	1.5	2,905	2.0
Total	**151,356**	**100.0**	**132,844**	**100.0**	**145,360**	**100.0**

	FPE 2025	
Distribution channel	**RM'000**	**%**
Direct	**98,468**	**92.3**
Roto-moulders	92,778	87.0
Other manufacturers(1)	5,526	5.1
Other direct customers(2)	164	0.2
Indirect	**8,158**	**7.7**
Plastic powder suppliers	6,928	6.5
Hardware wholesalers and retailers	1,230	1.2
Total	**106,626**	**100.0**

Notes:

(1) Other manufacturers refer to those that purchase plastic powder to manufacture products using manufacturing methods other than roto-moulding, such as injection moulding and blow moulding.

(2) Other direct customers include logistics services companies, vehicle and other workshops, and machinery operators.

(3) The increase in revenue from plastic powder suppliers in FYE 2024 was mainly due to sales to a new plastic powder supplier in Papua New Guinea, as well as sales to Polymer Link Australia and Polymer Link USA before they became our subsidiaries.

For the Period Under Review, we mainly utilise the direct distribution channel which accounted for between 91.6% and 96.7% of our total revenue. Our largest customer group comprises roto-moulders who purchase plastic powder for general and specialty applications to manufacture plastic products such as cooler boxes, diesel fuel tanks and playground equipment. Roto-moulders represented between 85.4% and 89.8% of our total revenue for the Period Under Review.

7. BUSINESS OVERVIEW *(Cont'd)*

Our other direct distribution channel customers include the following:

- other manufacturers who use the plastic powder that we supply to them to manufacture products using manufacturing methods other than roto-moulding (such as injection moulding and blow moulding), and manufacturers who use our plastic powder to manufacture compounded plastic and for powder coating;

- customers who purchase air compressors, air dryers, air receiver tanks, lubricant oil and other products, and maintenance services as part of their business operations. These customers include, among others, logistics services companies, vehicle and other workshops, and machinery operators; and

- customers who engage us to provide toll manufacturing of plastic powder and contract roto-moulding manufacturing services.

Our indirect distribution channel accounted for between 3.3% and 8.4% of our total revenue for the Period Under Review, and comprised the following types of customers:

- plastic powder suppliers who resell the manufactured plastic powder that they purchased from us to their respective customers; and

- hardware wholesalers and retailers who resell the air compressors, air dryers, air receiver tanks, lubricant oil and other products that they purchased from us to their respective customers.

The number of customers by country of our direct and indirect distribution channels and types of customers for the Period Under Review are summarised in the following table:

	FYE 2022		FYE 2023		FYE 2024	
Distribution channel	**No. of customers**	**%**	**No. of customers**	**%**	**No. of customers**	**%**
Direct[(1)]	**412**	**83.1**	**381**	**84.5**	**275**	**82.9**
Roto-moulders	40	8.1	60	13.3	80	24.1
India	*19*	*3.9*	*31*	*6.9*	*24*	*7.3*
USA	*2*	*0.4*	*2*	*0.4*	*18*	*5.4*
Australia	*1*	*0.2*	*2*	*0.4*	*16*	*4.8*
Malaysia	*14*	*2.8*	*11*	*2.5*	*9*	*2.7*
Other countries[(2)]	*4*	*0.8*	*14*	*3.1*	*13*	*3.9*
Other manufacturers[(3)]	55	11.1	53	11.8	67	20.2
Philippines	*36*	*7.3*	*32*	*7.1*	*40*	*12.1*
Malaysia	*14*	*2.8*	*14*	*3.1*	*18*	*5.4*
Other countries[(4)]	*5*	*1.0*	*7*	*1.6*	*9*	*2.7*
Other direct customers[(5)]	317	63.9	268	59.4	128	38.6
Malaysia	*302*	*60.9*	*266*	*59.0*	127	*38.3*
Other countries[(6)]	*15*	*3.0*	*2*	*0.4*	1	*0.3*
Indirect[(1)]	**84**	**16.9**	**70**	**15.5**	**57**	**17.1**
Plastic powder suppliers	13	2.6	14	3.1	16	4.8
Philippines	*5*	*1.0*	*5*	*1.1*	*7*	*2.1*
India	*6*	*1.2*	*6*	*1.3*	*2*	*0.6*
Other countries[(7)]	*2*	*0.4*	*3*	*0.7*	*7*	*2.1*
Hardware wholesalers and retailers	71	14.3	56	12.4	41	12.3
Malaysia	*65*	*13.1*	*51*	*11.3*	*37*	*11.1*
Other countries[(8)]	*6*	*1.2*	*5*	*1.1*	*4*	*1.2*
Total	**496**	**100.0**	**451**	**100.0**	**332**	**100.0**

7. BUSINESS OVERVIEW *(Cont'd)*

Distribution channel	FPE 2025 No. of customers	FPE 2025 %
Direct[1]	**150**	**84.3**
Roto-moulders	83	46.7
India	*20*	*11.2*
USA	*14*	*7.9*
Australia	*15*	*8.4*
Malaysia	*15*	*8.4*
Other countries[2]	*19*	*10.8*
Other manufacturers[3]	62	34.8
Philippines	*39*	*21.9*
Malaysia	*18*	*10.1*
Other countries[4]	*5*	*2.8*
Other direct customers[5]	5	2.8
Malaysia	*5*	*2.8*
Other countries[6]	*-*	*-*
Indirect[1]	**28**	**15.7**
Plastic powder suppliers	23	12.9
Philippines	*8*	*4.5*
India	*3*	*1.7*
Other countries[7]	*12*	*6.7*
Hardware wholesalers and retailers	5	2.8
Malaysia	*2*	*1.1*
Other countries[8]	*3*	*1.7*
Total	**[9]178**	**100.0**

Notes:

(1) Our Group experienced a decrease in customers due to our Group's plan to discontinue trading equipment and products and providing equipment maintenance services to focus on our principal activity of manufacturing plastic powder.

(2) Other countries include, but are not limited to, Fiji, Israel, Italy, Mexico, Papua New Guinea, the Philippines and Poland. For avoidance of doubt, our Group has ceased all dealings and/or transactions with the customers in Israel since October 2023.

(3) Other manufacturers refer to those that purchase plastic powder to manufacture products using manufacturing methods other than roto-moulding, such as injection moulding and blow moulding.

(4) Other countries include, but are not limited to, Australia, Singapore, USA and the United Kingdom.

(5) Other direct customers include logistics services companies, vehicle and other workshops, and machinery operators.

(6) Other countries include the Philippines and Singapore.

(7) Other countries include, but are not limited to, Australia, Malaysia, New Zealand, Papua New Guinea, Singapore and the United Kingdom.

(8) Other countries include the Philippines and the United Kingdom.

7. BUSINESS OVERVIEW *(Cont'd)*

(9) The decline in the total number of customers for FPE 2025 compared to FYE 2024 was mainly because we are discontinuing our trading of equipment and products business to focus on our principal activities of manufacturing plastic powder. Consequently, we had fewer customers for this business during FPE 2025 compared to FYE 2024.

7.1.10 Mode of operations

(i) Supply agreement

As at the LPD, we have 2 subsisting supply agreements with our customers, namely Outback Philippines and Tankpool Pty Ltd ("**Customers**") ("**Supply Agreements**"). The Supply Agreements describe the general terms and conditions of our business relationship with the Customers. The duration of the supply agreement with Outback Philippines is 3 years and it started on 6 December 2017 with automatic renewal for 1 additional year on each anniversary of the date of signing, unless not renewed in accordance with the terms and conditions of the supply agreement. The duration of the supply agreement with Tankpool Pty Ltd is 3 years and commenced on 1 June 2025 with automatic renewal for 2 additional years, unless terminated by either party with at least 6 months prior written notice.

The Supply Agreements do not stipulate any fixed pricing (prices are based on market prices), the types of products covered or minimum purchase quantity. In addition, the Supply Agreements do not place any obligation on the Customers to purchase any products from us, and it does not oblige us to supply any products to the Customers. The Customers will be required to issue purchase orders when they want to purchase any products from us. Please refer to **Section 7.18** of this Prospectus for the salient terms of the supply agreement between Polymer Link Philippines and Outback Philippines.

(ii) Purchase orders

All our customers have to issue purchase orders to purchase our products and services. The purchase order will specify, among others, the following:

- the product or service that they wish to purchase, including relevant specifications and other details;
- quantity and agreed prices;
- agreed payment terms; and
- delivery schedule and location.

Our sales to our customers are based on purchase orders whereby product specifications, price, quantity and delivery schedule are fixed upfront with the customers and products are typically delivered within 3 months from the purchase order. During the Period Under Review, 2.1%, 9.6%, 5.6%, and nil of our total revenue were delivered more than 3 months from the date of the purchase order. Such delays were due to (i) customer's request to prioritise new orders of different product specifications, (ii) shortage of additives; or (iii) changes to customer delivery schedules.

(iii) Payment terms

Our normal business practice, which is in line with what we understand to be the industry norm, is not to require downpayments from our customers, and we will commence to fulfil an order after receiving a confirmed purchase order. We will invoice them for the entire purchase order value upon shipment of the goods or after the services have been rendered. The value of sales to non-downpayment customers that subsequently became bad debts amounted to nil, RM0.02 million, RM0.19 million and nil for FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. These values are not material to our Group as they were equivalent to nil, 0.2%, 1.3% and nil of our PAT of the respective years.

7. BUSINESS OVERVIEW *(Cont'd)*

During the Period Under Review, a small proportion of our customers (selected based on factors such as credit risk assessment and the type of products ordered from us) are required to pay us a downpayment. After confirming their purchase order, they are required to pay a downpayment of up to 40.0% of the total purchase order value before we start to fulfil their order. We will invoice the customer for the remaining value of the purchase order upon shipment of the goods or after the services have been rendered.

Our customers will pay us the invoiced amount according to the agreed payment terms as stipulated in their invoice. During the Period Under Review, our trade terms with our customers are cash terms or credit terms of up to 90 days.

(iv) Rejected product

Our customers will inspect the plastic powder or masterbatch upon delivery. If the delivery is in order, they are required to sign the delivery order as written confirmation that they have received the correct order and that the products received are in good condition.

Our customers may reject our products if they are found to be in non-compliance with their specifications. Our customer will inform us and we will work together to identify and rectify the cause of the problem. During the Period Under Review, the main cause of rejected products was contamination of the plastic powder by particles.

We will issue a credit note to the customer for an agreed amount, which will offset any outstanding trade receivables that the customer may have with us and/or offset purchases that the customer makes from us in the future. The value of credit notes issued to customers in relation to rejected products amounted to RM0.10 million, RM0.19 million, RM0.01 million and RM0.11 million for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Subsequent to the FPE 2025, as at the LPD, the value of credit notes in relation to rejected plastic powder issued to our major customer, Outback Philippines, amounted to approximately RM0.20 million, RM0.02 million and RM0.02 million for plastic powder sold in FYEs 2023, 2024 and 2025 respectively. As these amounts have only been mutually agreed by both parties in FYE 2025, our Group will recognise the aggregate amount of RM0.24 million only in FYE 2025.

(v) Product warranty

While we do not provide product warranty for our manufactured plastic powder or masterbatch, customers can reject products as described above.

We provided product warranty on some of our trading products that we sold up to September 2023, namely air compressors, air dryers and air receiver tanks. The product warranty covered breakdowns due to manufacturing defects over 24 months from the date of purchase. If the product breaks down within the warranty period, we will repair or replace the affected product at our cost. The costs that we incurred in repairing or replacing products in relation to warranty claims amounted to RM0.02 million, RM0.06 million, RM0.01 million and nil for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

We will discontinue the trading of equipment and products business to focus on our principal activities of manufacturing plastic powder, and in line with this, we stopped providing product warranty for trading products sold from October 2023 onwards. Moving forward we will not provide product warranty for any trading products that we sell. The last subsisting product warranty expired in September 2025.

7. BUSINESS OVERVIEW *(Cont'd)*

7.2 OUR COMPETITIVE ADVANTAGES AND KEY STRENGTHS

7.2.1 We have an established track record of approximately 11 years to serve as a reference point for our experience in securing new businesses

As at the LPD, we have an established track record of approximately 11 years as a manufacturer of plastic powder since we commenced manufacturing operations in Malaysia in 2014. Among others, this indicates that we have the manufacturing capabilities, technical expertise and experience in developing and manufacturing plastic powder for general and specialty applications. We also have a track record of manufacturing plastic powder in foreign countries, having commenced manufacturing operations in the Philippines and India in 2017 and 2020 respectively. For the FYE 2022, FYE 2023, FYE 2024 and FPE 2025, we had approximately 100, 110, 160 and 150 active customers respectively for the manufacturing of plastic powders.

As at the LPD, Koh Song Heng, our Executive Vice Chairman/President & Group Chief Executive Officer, has approximately 31 years of experience related to manufacturing plastic powder, which commenced in 1994 when he was appointed as a Director of Sanko Manufacturer, a manufacturer of plastic powder. Since that time, he has been a Director or senior manager with other manufacturers of plastic powder, such as Courtnay, A. Shulman and Revolve Matrix before he joined Polymer Link Malaysia in 2014. His responsibilities while he was with Sanko Manufacturer, Courtnay, A. Shulman and Revolve Matrix included, among others, overseeing overall business operations, manufacturing, sales and marketing functions, as well as being in charge of sales and marketing for Malaysia and the Asia Pacific region. Please refer to **Section 5.1.2(i)** of this Prospectus for the profile of Koh Song Heng.

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

7.2.2 We have operations in Malaysia, the Philippines, India, Australia, and USA that provide us with large addressable markets for business diversity and growth opportunities

As at the LPD, we have sales and manufacturing facilities in Malaysia, the Philippines and India for our general and specialty application plastic powder. In addition, we have sales and marketing operations in Australia and USA focused on selling and marketing our in-house manufactured plastic products to customers in these countries. Our operational presence in these 5 countries provides us with access to a larger addressable market and with additional growth opportunities compared to having operations in only 1 country.

In addition, our operational track record in these 5 countries provide a platform for business sustainability and growth as it demonstrates to prospective customers our ability to formulate and manufacture plastic powder that fulfil specific customer requirements.

7.2.3 We maintain backup manufacturing capacity to cater for unexpected events

Our Malaysia Factory, Philippines Factory and India Factory are equipped with machinery and equipment with similar capabilities, use standardised manufacturing process flow and manufacture similar types of plastic powders for general and specialty applications. This is part of our policy of maintaining backup capacity at each manufacturing facility in case of unexpected surges in customer orders or unplanned shutdown of 1 of our manufacturing facilities. If such unexpected events occur, the orders can be allocated to other factories with available capacity. For example, our Malaysia Factory and Philippines Factory can fulfil orders received by Polymer Link India if our India Factory is, for any reason, unable to promptly fill their orders.

The availability of backup manufacturing capabilities provides a higher degree of assurance to our customers that we will be able to fulfil their orders in accordance with their delivery schedule at all times.

7. BUSINESS OVERVIEW *(Cont'd)*

7.2.4 We have in-house R&D and product development to drive growth for our business

We have in-house facilities and personnel to carry out R&D and product development activities. All of the compounded plastic powders for general and specialty applications and masterbatch that we manufacture and sell were developed in-house through our R&D and product development efforts. As at the LPD, we have developed 1,364 compounded plastic powder and masterbatch formulations. Moving forward, we will continue to carry out R&D and product development activities.

We carry out R&D activities through our R&D department, which is headed by Koh Tat Chuan, our Group Senior Vice President, with 4 personnel, 2 of whom have obtained a Doctor of Philosophy (PhD) degree in a related field of study. Our R&D expenses for the Period Under Review was equivalent to 0.1%, 0.3%, 0.4% and 0.6% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. Please refer to **Section 7.11** of this Prospectus for further details relating to our R&D activities.

Our in-house R&D capabilities enable us to develop plastic powder and masterbatch formulations that meet customers' specific requirements without having to rely on third parties. This also enables us to modify plastic powder and masterbatch formulations to meet the changing requirements of our existing customers, and also work with our customers to develop formulations that are optimised to their production methods. In addition, we do not need to share our plastic powder and masterbatch formulations with third-parties.

Furthermore, our R&D capabilities help expand our customer base where we can develop new formulations for existing and potential customers to meet their requirements. Our R&D capability also allows us to develop customer satisfaction and loyalty through continuous product improvement and differentiation through our formulation capabilities.

7.2.5 Our flexible manufacturing lines allow us to easily change our product range to address business opportunities

The machinery and equipment that we use to manufacture plastic powder at our Malaysia Factory, Philippines Factory and India Factory are flexible. We can easily change the plastic powder that we manufacture by making quick adjustments to our manufacturing processes and changing the input materials used, such as the plastic resin, additives and masterbatch, in accordance with the desired product's formulation.

While most of the plastic powder for general applications and specialty applications that we manufacture use LLDPE and HDPE as the main plastic material, our existing extruders and grinding mills at all of our factories can also be used to manufacture plastic powder using other types of PE, as well as other types of plastics such as PET and PP. This is achieved by "flushing" or cleaning the extruder and grinding mill between batches to remove all traces of incompatible plastic and other materials to avoid contamination.

The flexibility of our manufacturing lines allows us to meet a large potential customer base of plastic product manufacturers, which allows us to expand our customer base and addressable markets.

7.2.6 We have experienced Directors and key senior management team with strong technical skills to drive our growth

We have an experienced management team with strong technical skills headed by Koh Song Heng, our Executive Vice Chairman/President & Group Chief Executive Officer, who has approximately 31 years of experience related to manufacturing plastic powder. He is currently responsible for formulating the business strategies, setting the business directions and overseeing the marketing and sales operations of our Group.

He is supported by our key senior management team which comprises the following:

- Koh Tat Chuan, our Group Senior Vice President, has approximately 16 years of experience related to manufacturing plastic powder, and he is currently responsible for overseeing the overall production operations in Malaysia and the Philippines, as well as technical, quality control matters and R&D;

7. BUSINESS OVERVIEW *(Cont'd)*

- Koh Tat Wei, our Head of Supply Chain & Administration, has approximately 19 years of experience related to manufacturing plastic powders, and he is currently responsible for overseeing the day-to-day operations of our business and leading the implementation of policies, strategies and decisions adopted by our Board;

- Low Jun Hoong, our Group Financial Controller, has approximately 10 years of experience in accounting and finance-related functions, is responsible for our accounting functions including financial reporting, budgeting, taxation and cash flow management; and

- Jagroop Singh Gill, a Director of Polymer Link India, has approximately 35 years of experience related to manufacturing plastic powder, is responsible for overseeing the overall production operations of Polymer Link India, including technical and quality control.

Please refer to **Sections 5.2.1** and **5.4.1** of this Prospectus for the profiles of our Directors and key senior management team.

7.3 MANUFACTURING PLASTIC POWDER

7.3.1 Overview

For the Period Under Review, the manufacture of plastic powder (comprising plastic powder for general applications and for specialty applications) was our largest business segment where its revenue contribution accounted for 94.6%, 95.0%, 95.4% and 96.8% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

The main processes of our manufacturing of plastic powder comprise formulation, compounding and grinding. Our formulation requires us to have the technical knowledge of all relevant input materials including the type of plastic resin, masterbatch and/or additives to use as well as their ratio or respective concentration, volume or weight. Formulation is key to obtaining the required colour, properties and characteristics of the final manufactured plastic product. A small proportion of the plastic powder that we manufacture do not involve formulation and compounding, but only grinding of plastic pellets.

Our compounding process requires the blending of plastic resin, masterbatch and/or additives to obtain plastic powder with the desired characteristics according to our customers' specifications. The plastic resin we use is mainly PE in its various forms such as LLDPE or HDPE depending on the application and properties required. Masterbatch comprises 1 or more types of concentrated pre-mixed pigment and/or additives. Additives are substances added to obtain certain properties such as resistance to chemical corrosion for diesel fuel tanks or ultraviolet rays for outdoor products, flame retardant qualities for modular housing components, and rigidity, impact resistance and ability to withstand very low temperatures for kayaks.

The plastic resin, masterbatch and additives are compounded by mixing them together and melting to fuse them into a uniform material, which is then extruded, cooled and cut into pellets. The pellets are subsequently ground to plastic powder of specified particle size ranging between 150 microns and 2,000 microns, but most commonly around 500 microns. We manage the grinding process to ensure that each batch's particle size distribution complies with our customers' specifications.

Most of the plastic powders that we manufacture are supplied to plastic product manufacturers who utilise the roto-moulding method to manufacture large finished plastic products such as insulated cooler boxes, water tanks, diesel fuel tanks, modular housing components and anti-boarding barriers. Roto-moulding is the preferred method for the manufacture of large plastic products compared to other methods such as blow moulding or injection moulding. Roto-moulding uses only plastic powder as their input material. Please refer to **Section 7.3.4** of this Prospectus for additional information on roto-moulding.

7. BUSINESS OVERVIEW *(Cont'd)*

We currently manufacture plastic powder for the following:

- general applications; and
- specialty applications.

7.3.2 Plastic powder for general applications

For the Period Under Review, the manufacture of plastic powder for general applications accounted for 66.4%, 58.0%, 64.7% and 66.7% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Plastic powder for general applications is used to manufacture products meant for day-to-day use that are not normally subjected to harsh environmental or usage conditions such as containers to hold corrosive chemicals or outdoor products subject to long exposure to sunlight. While general application products do not require enhanced properties to cater for these special conditions, they still have to meet our customer's specifications in terms of final manufactured product properties, characteristics and colour.

We work together with our customers in our formulation to select the appropriate specific plastic resin and masterbatch to meet their specific requirements.

Examples of a roto-moulded insulated cooler box (left) and small water tank (right)



A small proportion of the plastic powder for general applications that we manufacture comprises non-compounded plastic, which is a plastic resin that has not been compounded with masterbatch.

The plastic powder for general applications that we supply is used by our customers to roto-mould a range of plastic products, including the following:

- **Insulated cooler boxes:** They are used to minimise the change in temperature of the stored item for extended periods. They comprise a rigid interior and exterior plastic shell that sandwiches an insulating material such as plastic foam.

- **Small water tanks:** They are generally used to store water for single-unit residential and commercial properties, and may be installed indoors or outdoors.

In addition, we supply non-compounded ground plastic resins to some of our customers who use them as input materials to manufacture masterbatch.

For the Period Under Review, most of our revenue from the manufacture of plastic powder for general application was using LLDPE and HDPE resins. A small proportion was from other plastics such as PET and PP.

7. BUSINESS OVERVIEW *(Cont'd)*

7.3.3 Plastic powder for specialty applications

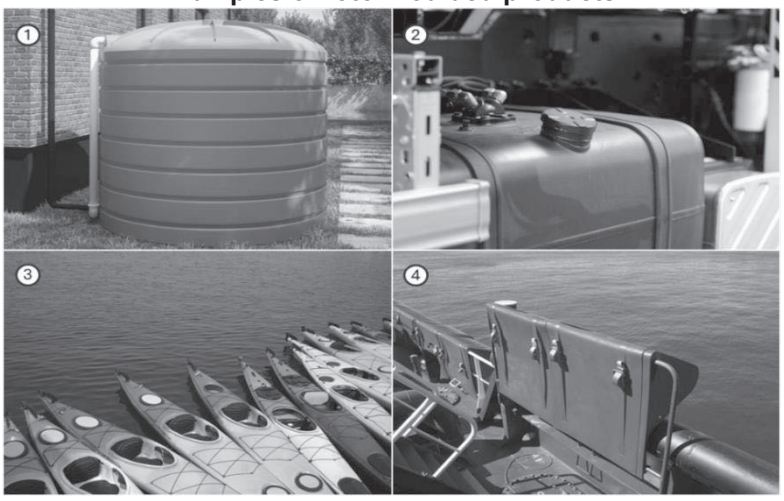
For the Period Under Review, the manufacture of plastic powder for specialty applications accounted for 28.2%, 37.0%, 30.7% and 30.1% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Plastic powder for specialty applications is used to manufacture products that have enhanced properties compared to plastic powder for general applications to cater for special environmental or usage conditions, such as the following:

- prolonged direct contact with corrosive chemicals, such as diesel;
- long-term exposure to sunlight;
- can withstand very low temperatures;
- high rigidity and/or impact resistance to cater for heavy usage and wear-and-tear; and
- meet specific safety or other requirements.

Plastic powder for specialty applications will need to be specially formulated to obtain the required properties and characteristics. This is mainly focused on the types of plastic as well as the masterbatch that in combination will provide the required properties and characteristics. We work together with our customers to select the appropriate type of plastic resin and develop the masterbatch formulation to meet their specific requirements.

Examples of roto-moulded products



(1): Large water tank. (2) Diesel fuel tank. (3) Kayaks. (4) Anti-piracy

The plastic powder for specialty applications that we supply is used by our customers to roto-mould a range of products, including the following:

- **Diesel fuel tanks:** We currently manufacture plastic powder for specialty applications formulated to meet the requirements for diesel fuel tanks installed in agricultural vehicles such as tractors. They must be resistant to corrosion by diesel. For safety reasons, these diesel fuel tanks require high tensile strength (can withstand strong stretching and/or pulling forces before breaking) and durability, as well as good impact resistance and environmental stress crack resistance.

- **Large water tanks:** They are used to store water for multi-unit residential and commercial properties, as well as for industrial and agricultural applications. They usually need to be stronger than small water tanks because they have to withstand higher water pressure. In addition, they must withstand adverse weather conditions and long exposure to sunlight as they are normally installed outdoors.

- **Modular house components:** These consist of prefabricated roofs, floors, doors, and other building components. They must, among other things, be strong, durable, weather and UV resistant, and have flame retardant properties.

7. BUSINESS OVERVIEW *(Cont'd)*

- **Anti-piracy barriers:** They are installed on ships and are designed to prevent unauthorised persons from boarding. They must be strong, durable and resistant to sea water, weather and UV.

- **Security furniture:** These are chairs, tables and other furniture that are designed to be used in prisons, mental health facilities and other high-security locations. They must be durable, have high tensile strength and impact resistance, be flame retardant, and must not form sharp edges if they are broken.

- **Kayaks and canoes:** Small boats without engines for a small number of people. They must be highly rigid and impact resistant, durable, weather, sea water and UV resistant, and must not become brittle when used in very low temperature environments.

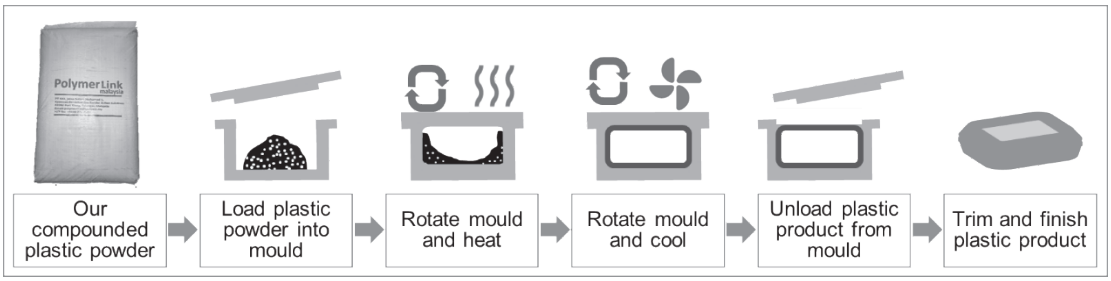
For the Period Under Review, most of our revenue came from the manufacturing of plastic powder for specialty applications using HDPE resin, and the remaining was mostly from LLDPE resin.

7.3.4 Main usage of our plastic powders for roto-moulding

7.3.4.1 Overview

Most of our manufactured plastic powder is used for roto-moulding. Roto-moulding is a preferred method used to manufacture large hollow plastic products. The size of the required product can be as big as the mould. Other methods such as injection moulding would have size limitations to obtain the required quality. In general, plastic powder is the most common form of plastic used for roto-moulding.

The general process flow for roto-moulding is summarised in the following diagram:



The specified amount of plastic powder is loaded into 1 half of the hollow metal mould. The other half of the mould is clamped or bolted into position to seal the plastic in the mould. The closed mould is attached to a mechanical arm which rotates the mould along its horizontal and vertical axes to ensure the plastic powder reaches all parts of the mould. The rotation motion, horizontally and vertically, creates the centrifugal force that will push and evenly spread the powder onto the interior surface of the mould.

The closed mould is heated as it rotates which causes the plastic to melt and stick to the interior surface of the mould to form the plastic product. The mould is kept rotating to prevent the plastic material from sagging as it gradually cools and solidifies completely. The mould is then opened and the plastic product is removed from the mould, and trimmed to remove excess plastic material.

7. BUSINESS OVERVIEW *(Cont'd)*

7.3.4.2 Advantages and limitations of roto-moulding

In general, the roto-moulding method has several advantages compared to other methods of manufacturing plastic products, including the following:

- Roto-moulding does not rely on high pressure or force to deposit the plastic material into the mould to form the product (unlike injection moulding) or subject to high air pressure to create a hollow cavity and press against the surface of the mould to obtain the shape of the product. Roto-moulding uses the centrifugal force created by the rotating motion to evenly spread and push the plastic powder against the surface of the mould. As a result, moulds used for roto-moulding are cheaper, simpler and quicker to produce. Roto-moulding equipment also requires less maintenance and can last longer as they are subject to less wear and tear compared to other methods of manufacturing plastic products.

- Roto-moulded plastic products are generally free of internal stress as they are not subjected to high pressure or force during the manufacturing process (unlike injection moulding).

- Roto-moulding is suitable for manufacturing small production runs of plastic products as the moulds used are relatively simple, cheap and quick to produce.

- In roto-moulding, all of the plastic material loaded into the mould is ultimately incorporated into the finished plastic product, thus minimising wastage.

- Colour changes can be made quickly, easily and without loss of raw material as there is no need to purge extruders and moulding machinery between colour changes (unlike injection moulding).

- A wide range of surface textures, details and graphics can be reproduced by making corresponding markings on the mould's interior surface.

A large roto-moulded modular housing component manufactured by a customer using our plastic powder



Relative to other manufacturing methods roto-moulding has limitations, such as:

- The roto-moulding method is generally more time-consuming as moulds have to be filled and closed individually. In addition, the process of unloading the finished plastic product from the mould is difficult to automate resulting in more labour usage.

- Cycle times are relatively long as the mould and plastic material have to be heated and cooled.

- Due to its relatively long cycle time and high labour requirement, roto-moulding is not suitable for manufacturing large numbers of small plastic products.

- The plastic material's temperature is elevated throughout the heating and cooling stages. As a result, only plastic that has good thermal stability can be used.

- Raw material costs may be higher compared to other manufacturing methods as the plastic has to be ground into powder, and masterbatch that improve thermal stability and make it easier to unload the finished plastic product are commonly added.

- Final plastic products with large flat surfaces are difficult to manufacture using roto-moulding.

- The final plastic product's final dimensional accuracy may be difficult to control and predict as the plastic product's interior surface is freely formed during moulding, and the plastic material shrinks as it cools.

We use our in-house R&D capabilities to develop plastic powder formulations that can ease some of the limitations related to roto-moulding. For example, we have developed plastic powder formulations that cures and attains a bubble-free surface more quickly by reducing the plastic curing temperature, which allows the overall cycle time to be shortened by up to 25% to 30% through reduced heating and cooling times.

7.3.4.3 Final plastic products commonly manufactured by roto-moulding

Some examples of final plastic products that are manufactured using roto-moulding include the following:

- Consumer products: Insulated cooler boxes.
- Automotive applications: Diesel and other fuel tanks.
- Building and construction: Water tanks, pipe linings and fittings, and pool and hot tub parts.
- Housing: Modular housing components.
- Security applications: Anti-piracy and safety barriers, and security furniture.
- Playground equipment: Slides, playhouses and climbing frames.
- Electrical and electronic products: Pedestals, machine and speaker enclosures.
- Industrial applications: Water and chemical tanks, casing and enclosures for machinery and equipment.
- Marine applications: Dock floats, bumpers and pontoons, vessel fuel tanks, seats and fenders, storage bins, boat hulls, life-saving buoys.
- Material handling and storage: Insulated cooler boxes, water and chemical tanks, drums and barrels, hoppers, intermodal bulk containers, chutes and waste bins.
- Medical equipment: Anatomical figures and models, insulated cooler boxes, tanks for biological processes and spine boards.
- Sports, toys and recreation equipment: Kayaks and canoes, helmet lining, and park and other benches.
- Road infrastructure: Road barriers, bollards and road signages.

7.3.4.4 Use of PE in roto-moulding

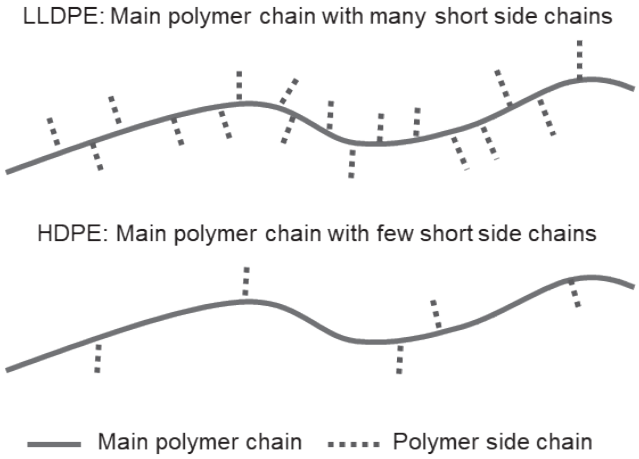
During the Period Under Review and up to the LPD, PE, in its various forms including LLDPE and HDPE, were the main types of plastic resins that we used to manufacture plastic powder. PE can be subdivided into different types depending on their density and molecular structure. These categories are as follows:

- The polymer chains in **LLDPE** have many relatively short side chains that are regularly arranged. Individual polymer chains are relatively far apart resulting in lower density compared to HDPE. LLDPE has good flexibility (low stiffness), strength and impact resistance.

7. BUSINESS OVERVIEW *(Cont'd)*

- With **HDPE**, the polymer chains are linear with few short side branches, and as a result, chains are packed close together with stronger attraction between chains. Plastic products made from HDPE generally have high stiffness and strength, but lower impact resistance compared to LLDPE.

The differences in the polymer structures of LLDPE and HDPE are visualised in the following diagram:



7.3.4.5 Additives

Additives are substances that are compounded with plastic resins to alter their properties. Specific performance can be achieved by varying the types and quantities of the additives used. We currently use additives in the compounded plastic powders that we manufacture. They are used individually or in a combination of 2 or more additives.

During the Period Under Review and up to the LPD, we manufactured plastic powders that contained 1 or a combination of the following types of additives:

Type of additive	Description
Cross-linking agents	• They are used to promote the formation of cross-links between PE chains that result in cross-linked PE. The high degree of cross-links between chains generally results in higher rigidity, impact resistance, environmental stress crack resistance and tensile strength compared to other types of PE, as well as resistance to diesel corrosion.
Anti-oxidants	• Oxygen can react with the plastic product during the roto-moulding process and when the finished product is used, resulting in compromising the integrity and quality of the product. Anti-oxidants protect the plastic product by preventing its reaction with oxygen. • Anti-oxidants are added to protect the plastic material from heat degradation during the roto-moulding process as well as damage due to high temperature when it is in use. • Anti-oxidants can also improve the impact resistance of general plastic products.
Stabilisers	• Stabilisers are used to improve the thermal stability of plastic material and reduce degradation that may occur as it is heated or oxidised during roto-moulding. • Stabilisers can also reduce damage to the plastic product from environmental effects.

7. BUSINESS OVERVIEW *(Cont'd)*

Type of additive	Description
UV stabilisers	• Exposure to UV light from sunlight can cause chemical reactions in plastic products, including reactions with oxygen. This can result in damage such as discolouration, cracking and hardening. • UV stabilisers protect plastic by absorbing energy from UV light, or by stopping chemical reactions.
Flame retardant	• They are used to reduce the flammability of plastic products, making it harder for the plastic product to catch fire, and reduce the severity of fire if it does occur.
Plasticisers	• Plasticisers are used to improve the flexibility of plastic products when they are in low temperature environments. Consequently, the plastic product does not become brittle and retains its impact resistance and tensile strength. • Plasticisers can also increase the softness and flexibility of the final plastic product. • In addition, plasticisers reduce the thickness of the melted plastic, which can make the roto-moulding process easier.
Pigments	• Pigments are used to impart colour, opacity or transparency, and brightness to plastic products. • Colour matching is important to ensure that the final plastic product achieves the desired colour, opacity and brightness, as heating and the presence of other additives may result in slight variations from specifications.
Fillers	• Mineral fillers such as talc and chalk can be used to improve the strength of plastic products in terms of their rigidity and/or impact resistance. • Fillers that are cheaper than plastic resin are also sometimes used to reduce the cost of plastic products.

7.4 MANUFACTURING MASTERBATCH

We started to manufacture masterbatch for sales to third-party customers in November 2022, and we also manufacture masterbatch for our in-house use as an input material for the manufacturing of plastic powders. We manufacture masterbatch using our in-house developed formulations. For the Period Under Review, the manufacture of masterbatch accounted for nil, 0.4%, 2.4% and 2.5% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

7.5 OTHER BUSINESS ACTIVITIES

7.5.1 Overview

Revenue from other business activities accounted for 5.4%, 4.6%, 2.2% and 0.7% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Our other business activities include the following:

- trading of equipment and products;
- equipment maintenance;
- contract roto-moulding;
- toll manufacturing.

7. BUSINESS OVERVIEW *(Cont'd)*

7.5.2 Trading of equipment and products

Trading of equipment and products accounted for 4.5%, 3.9%, 1.5% and 0.4% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. Our trading of equipment and products involves supplying the following:

- air compressors, which are mechanical devices that use a motor to pressurise and compress air and are stored in an integrated compressed air tank and/or external compressed air receiver tank. Air compressors are used in industrial and commercial applications, such as in blow and injection moulding equipment to manufacture plastic products, as a power source for pneumatic tools and inflating tires, and for spray painting and sandblasting;

- air receiver tanks are storage tanks to store compressed air until it is ready to be used;

- air dryers are used to remove moisture from the air;

- spare parts for air compressors; and

- lubricants for air compressors and other equipment, and for motor vehicles.

If required, we provide installation services for the air compressors, air receiver tanks and air dryers that we supply to our customers.

During the Period Under Review, some of the equipment and products that we supplied were marketed under our brands as follows:

- air compressors, air receiver tanks, air dryers and spare parts under our "Maqquine" and "Bluestorm" brands; and

- lubricant oil under our "MaqFlo" brand.

All of the equipment and products that we supply are sourced from third-party suppliers. We do not manufacture any of these products in-house.

During the Period Under Review, our business operations in Malaysia and the Philippines were involved in the trading of equipment and products.

We are discontinuing the trading of equipment and products business to focus on our principal activities of manufacturing plastic powder. We have not placed purchase orders for air compressors, air receiver tanks and air dryers with the respective suppliers since July 2022, and for lubricants since January 2025. As at 30 June 2025, our inventory of these products net of provision for slow-moving stock amounted to RM1.0 million. We will stop the trading of equipment and products business after we have cleared our inventory of these products. The last subsisting product warranty expired in September 2025.

7.5.3 Equipment maintenance

Equipment maintenance services accounted for 0.2%, 0.1%, less than 0.1% and less than 0.1% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. We provide the following types of maintenance services for selected equipment, including air compressors, air receiver tanks and air dryers sold under our "Maqquine" and "Bluestorm" brands:

- scheduled maintenance carried out from time to time to ensure that the equipment functions properly to minimise unscheduled breakdowns; and

- corrective maintenance to repair equipment that has broken down or requires immediate attention.

7. BUSINESS OVERVIEW *(Cont'd)*

During the Period Under Review, our operations in Malaysia and the Philippines provided equipment maintenance services. In-line with our plan to discontinue the trading of equipment and products business, we ceased providing equipment maintenance services for our brands of equipment in September 2025.

7.5.4 Contract roto-moulding

Under our contract roto-moulding business, we are engaged by customers to supply roto-moulded plastic products. We provide our input to the customers for the design of the moulds, and work with our customers to formulate the plastic powder to achieve the desired properties in the finished plastic product. We will engage a third party to fabricate the mould, while we will be responsible for formulating and compounding the plastic powder with the appropriate plastic resin and masterbatch. We manufacture and provide the required plastic powder to a third-party roto-moulder who carries out the roto-moulding process to manufacture the plastic products. We are responsible for inspecting the final plastic products and supplying them to our customers.

During the Period Under Review, only our business operations in Malaysia were involved in contract roto-moulding.

7.5.5 Toll manufacturing

We provide toll manufacturing of plastic powder. Under toll manufacturing, the customer provides all plastic resins used to manufacture plastic powders. Our toll manufacturing service involves using and operating our machine and equipment as well as using our workers and all necessary supporting products and services to manufacture the plastic powder according to the customer's specifications.

During the Period Under Review, only our business operations in Malaysia were involved in toll manufacturing.

7.6 OPERATIONAL FACILITIES

The locations of our operational facilities as at the LPD are as follows:

Subsidiary	Main functions	Approximate built-up area (sq ft)	Ownership	Address
Polymer Link Malaysia, Polymer Link Color & Additives, and Polymer Link Engineering	Group head office, manufacturing facility and warehouse (Malaysia Factory)[1]	64,253.0	Owned	Lot 99045, Jalan Tun Perak 1/KU16, Perdana Industrial Park, 42000 Pelabuhan Klang, Selangor, Malaysia
Polymer Link Philippines	Office and manufacturing facility (Philippines Factory)[1]	34,100.0	Leased[2]	IE-5, SCTEX Clark - South Interchange Road, Clark Freeport Zone, Pampanga, Philippines
Maqqo Philippines	Warehouse	10,763.0	Rented	Warehouse No. 5, Bypass Road, Guyong, Santa Maria, Bulacan, Philippines

7. BUSINESS OVERVIEW *(Cont'd)*

Subsidiary	Main functions	Approximate built-up area (sq ft)	Ownership	Address
Polymer Link India	Office and manufacturing facility (India Factory)(2)	20,481.6	Rented	Survey No. 382, Zari Causeway Road, Village Kachigam, Nani Daman, Daman 396210, India

Notes:

(1) The manufacturing facility has a storage area for input materials and finished goods.

(2) Polymer Link Philippines entered into a lease agreement with Clark International Airport Corporation to lease the land on which our Philippines Factory, which is owned by us, is currently erected on for a period of 25 years commencing in April 2016 to April 2041.

7.7 MAJOR MACHINERY AND EQUIPMENT

Our main machinery and equipment for our operations are as follows:

Main machinery and equipment	Brief description	Number of units	(1)Age range (years)	NBV as at FPE 2025 (RM'000)
Malaysia Factory				
Input material mixer	To mix plastic resin, masterbatch and/or additives	2	3 to 6	41
Extruders	To produce compounded plastic pellets from plastic resin, masterbatch and/or additives	5	2 to 9	1,600
Grinding mills	To grind plastic pellets into plastic powder	6	1 to 11	1,111
Dust extractor	Filter dust particles from air	1	9	100
Roto-moulding machines	To produce test products for R&D	2	2 to 3	263
Laboratory-scale extruder	To produce compounded plastic samples for R&D	1	3	106
Spectrophotometer	To measure the colour and brightness of a test sample for quality control testing and R&D	1	3	153
Malaysia Factory sub-total				**3,374**
Philippines Factory				
Extruders	To produce compounded plastic pellets from plastic resin, masterbatch and/or additives	3	5 to 8	568
Grinding mills	To grind plastic pellets into plastic powder	4	3 to 9	549
Philippines Factory sub-total				**1,117**

7. BUSINESS OVERVIEW *(Cont'd)*

Main machinery and equipment	Brief description	Number of units	[(1)]Age range (years)	NBV as at FPE 2025 (RM'000)
India Factory				
Extruders	To produce compounded plastic pellets from plastic resin, masterbatch and/or additives	2	3 to 4	914
Grinding mills	To grind plastic pellets into plastic powder	2	2 to 4	279
Liquid additive feeder	To feed required quantities of liquid additives into extruders as part of the compounding process	1	4	192
Powder mixer	To mix plastic powder before packaging.	2	3 to 4	161
Roto-moulding machines	To produce test products	2	4	197
India Factory sub-total				**1,743**
Group Total				**6,234**

Notes:

(1) Age range as at 30 June 2025.

Between 1 July 2025 and the LPD, we purchased the following new main machinery and equipment:

- 1 unit of injection moulding machine, which is an industrial-scale unit that we use to produce samples for colour development R&D trials and to check the quality of the masterbatch that we manufacture. The purchase value of this machine is approximately RM0.1 million.

- 1 unit of table-top roto-moulding machine, which is a laboratory-scale roto-moulding machine to produce samples for R&D testing and analysis. The purchase value of this machine is approximately RM19,000.

7.8 PRODUCTION CAPACITY, OUTPUT AND UTILISATION

7.8.1 Manufacturing plastic powder and toll manufacturing

We do not segment our manufacturing capacity between plastic powder for general applications and specialty applications and tolling for the following reasons:

- The same equipment, mainly extruders and/or grinding mills are used; and
- The manufacturing processes are almost identical.

7. BUSINESS OVERVIEW *(Cont'd)*

During the Period Under Review, we carried out the following business activities at our Malaysia Factory, Philippines Factory and India Factory:

	Manufacturing plastic powders for general and specialty applications	Providing toll manufacturing services
Malaysia Factory	√	√
Philippines Factory	√	-
India Factory	√	-

The methodology used to calculate our manufacturing capacity for the Period Under Review is summarised in the following table:

Malaysia Factory – manufacturing capacity parameters	
Hourly manufacturing rate	• FYE 2022: 1,470 kg per hour. • FYE 2023: 1,470 kg per hour for October 2022 to June 2023, and 1,670 kg per hour for July 2023 to September 2023 following the addition of 1 extruder unit. • FYE 2024: 1,670 kg per hour for October 2023 to July 2024, and 1,776 kg per hour for August 2024 to September 2024 following the addition of 1 grinder unit(1). • FPE 2025: 1,776 kg per hour.
Working days per year in FYE 2022, FYE 2023 and FYE 2024(2)	351 days per year.
Working days in FPE 2025(3)	262 days
Total working hours available(4)	• FYE 2022, FYE 2023, and FYE 2024: 7,582 hours per year. • FPE 2025: 5,659 hours.
Estimated manufacturing capacity(5)	• FYE 2022: 11,146 tonnes per year. • FYE 2023: 11,527 tonnes per year. • FYE 2024: 12,796 tonnes per year. • FPE 2025: 10,048 tonnes.

Philippines Factory – manufacturing capacity parameters	
Hourly manufacturing rate	FYE 2022, FYE 2023, FYE 2024 and FPE 2025: 1,615 kg per hour.
Working days per year in FYE 2022, FYE 2023 and FYE 2024(6)	322 days per year.
Working days in FPE 2025(7)	250 days
Total working hours available(4)	• FYE 2022, FYE 2023, and FYE 2024: 6,955 hours per year. • FPE 2025: 5,400 hours.
Estimated manufacturing capacity(5)	• FYE 2022, FYE 2023, and FYE 2024: 11,232 tonnes per year. • FPE 2025: 8,721 tonnes.

7. BUSINESS OVERVIEW *(Cont'd)*

India Factory – manufacturing capacity parameters	
Hourly manufacturing rate	• FYE 2022: 1,100 kg per hour for October 2021 to December 2021, and 1,350 kg per hour for January 2022 to September 2022 following the addition of 1 grinding mill unit. • FYE 2023: 1,350 kg per hour for October 2022 to May 2023, and 1,700 kg per hour from June 2023 to September 2023 following the addition of 1 grinding mill unit. • FYE 2024: 1,500 kg for October 2023 to September 2024 after 1 grinding mill unit was decommissioned at the end of September 2023 for transfer to our Malaysia Factory. • FPE 2025: 1,500 kg per hour.
Working days per year in FYE 2022, FYE 2023 and FYE 2024[8]	352 days per year.
FPE 2025[9]	261 days
Total working hours available[3]	• FYE 2022, FYE 2023, and FYE 2024: 7,603 hours per year. • FPE 2025: 5,638 hours
Estimated manufacturing capacity[4]	• FYE 2022: 9,789 tonnes per year. • FYE 2023: 11,151 tonnes per year. • FYE 2024: 11,405 tonnes per year. • FPE 2025: 8,457 tonnes.

Notes:

(1) At the end of September 2023, 1 unit of grinding machine that was installed at our India Factory was decommissioned, dismantled and transported to our Malaysia Factory. After installation, testing and commissioning this grinding machine commenced operations at our Malaysia Factory in August 2024.

(2) The number of working days per year at our Malaysia Factory is based on 365 days per year less 14 gazetted public holidays, which comes to 351 days per year.

(3) For FPE 2025, the number of working days at our Malaysia Factory is based on 272 days less 10 gazetted public holidays for the period, which comes to 262 days.

(4) Total working hours available is estimated by multiplying the number of working days per year or financial period of the respective factory by 24 hours, and subtracting 10.0% to take into account stoppages for product changes and maintenance.

(5) Total manufacturing capacity is estimated by the following:

(a) Calculating the average hourly manufacturing rate of the respective factory, which is calculated by adding the hourly manufacturing rates of each month and dividing by 12.

(b) Multiply the average hourly manufacturing rate of the respective factory with the total working hours available.

(6) The number of working days per year at our Philippines Factory is based on 365 days per year less 25 gazetted public holidays and 18 days per year for Easter and Christmas breaks, which comes to 322 days per year.

(7) For FPE 2025, the number of working days at our Philippines Factory is based on 272 days less 22 gazetted public holidays for the period, which comes to 250 days.

7. BUSINESS OVERVIEW *(Cont'd)*

(8) The number of working days per year at our India Factory is based on 365 days per year less 13 gazetted public holidays, which comes to 352 days per year.

(9) For FPE 2025, the number of working days at our India Factory is based on 272 days less 11 gazetted public holidays for the period, which comes to 261 days.

The methodology used to calculate our actual output and utilisation rates for the Period Under Review is as follows:

- actual output from the Malaysia Factory was the quantity of plastic powder from the manufacturing of general and specialty applications, and toll manufacturing;
- actual output from the Philippines Factory and India Factory was the quantity of plastic powder from the manufacturing of general and specialty applications;
- utilisation rate is calculated by dividing the actual output by the annual capacity of the manufacturing facility.

	Capacity (tonnes)	Actual output (tonnes)	Utilisation rate (%)
Malaysia Factory – Plastic powder			
FYE 2022	11,146	5,936	53
FYE 2023	11,527	5,121	44
FYE 2024	12,796	7,826	61
FPE 2025	10,048	6,774	67
Philippines Factory – Plastic powder			
FYE 2022	11,232	5,798	52
FYE 2023	11,232	4,266	38
FYE 2024	11,232	4,608	41
FPE 2025	8,721	2,853	33
India Factory – Plastic powder			
FYE 2022	9,789	2,903	30
FYE 2023	11,151	3,944	35
FYE 2024	11,405	3,369	30
FPE 2025	8,457	2,448	29
Group Total – Plastic powder			
FYE 2022	32,167	14,637	46
FYE 2023	33,910	13,331	39
FYE 2024	35,433	15,804	45
FPE 2025	27,226	12,045	44

Our Group's utilisation rates for manufacturing plastic powder were relatively low during the Period Under Review due to the following reasons:

- we only manufacture plastic powder as and when we receive confirmed purchase orders from our customers as orders are for specific formulations. Consequently, we generally do not manufacture plastic powder to stock; and

- our Group's policy is to maintain additional capacity at each manufacturing facility in case of unexpected surges in customer orders or unplanned shutdown of 1 of our manufacturing facilities. This enables us to provide a higher degree of assurance to our customers that we will be able to fulfil their orders in accordance with their delivery schedule at all times. In line with this policy, we typically initiate plans to increase the capacity of a manufacturing facility when it achieves utilisation rate of around 50% to 60% on a consistent basis. The utilisation rate of our Malaysia factory was 67.4% in FPE 2025. In line with our policy of maintaining additional capacity at each manufacturing facility, we plan to purchase 1 additional plastic powder manufacturing line, to be installed in Phase 1, to support our business strategy of expanding operations in Australia and increasing sales to customers in Poland. In addition, we plan to allocate additional working capital to manufacture plastic powders at our Malaysia Factory for other customers. Any additional orders generated by the successful implementation of these strategies will be manufactured by the Malaysia Factory, which would increase the utilisation rate to above 60.0%. Concurrent with the installation of the additional plastic powder manufacturing line in Phase 1, we moved our storage area for the Malaysia Factory to Phase 2 and the manufacturing activities will be carried out at Phase 1. Please refer to **Sections 7.19.1** and **7.19.3** of this Prospectus for further information on these strategies and **Section 4.6.2(ii)** of this Prospectus for further information on the allocation proceeds from the Public Issue to working capital for our Malaysia operations.

- the utilisation rate of our India Factory are lower than our other factories as it focuses on manufacturing plastic powder for specialty applications (diesel fuel tanks).

7.8.2 Manufacturing masterbatch

We started manufacturing masterbatch at our Malaysia Factory in October 2022. The methodology used to calculate our masterbatch manufacturing capacity for the Period Under Review is summarised in the following table:

Malaysia Factory – manufacturing capacity parameters	
Hourly manufacturing rate	• FYE 2022: Nil • FYE 2023: None in October 2022 and 160 kg per hour from November 2022 to September 2023 • FYE 2024 and FPE 2025: 160 kg per hour
Working days per year in FYE 2022, FYE 2023 and FYE 2024(1)	351 days per year
Working days in FPE 2025(2)	262 days
Total working hours available	• FYE 2023(3): 6,950 hours • FYE 2024(4): 7,582 hours • FPE 2025(5): 5,659 hours
Estimated manufacturing capacity(6)	• FYE 2022: None. • FYE 2023: 1,112 tonnes per year • FYE 2024: 1,213 tonnes per year • FPE 2025: 905 tonnes

Notes:

(1) The number of working days per year at our Malaysia Factory is based on 365 days per year less 14 gazetted public holidays, which comes to 351 days per year.

(2) For FPE 2025, the number of working days at our Malaysia Factory is based on 272 days less 10 gazetted public holidays for the period, which comes to 262 days.

7. BUSINESS OVERVIEW *(Cont'd)*

(3) Total working hours available in FYE 2023 is estimated by multiplying the number of working days per year by 24 hours, subtracting 10.0% to take into account stoppages for product changes and maintenance, and pro-rating by 11 months out of 12 months (as the Malaysia Factory did not manufacture masterbatch in October 2022). This comes to 6,950 hours.

(4) Total working hours available in FYE 2024 is estimated by multiplying the number of working days per year by 24 hours, and subtracting 10.0% to take into account stoppages for product changes and maintenance. This comes to 7,582 hours.

(5) Total working hours available in FPE 2025 is estimated by multiplying the number of working days by 24 hours, and subtracting 10.0% to take into account stoppages for product changes and maintenance. This comes to 5,659 hours.

(6) Total manufacturing capacity is estimated by the following:

(a) Calculating the average hourly manufacturing rate, which is calculated by adding the hourly manufacturing rates of each month and dividing by 12.

(b) Multiply the average hourly manufacturing rate with the total working hours available.

The methodology used to calculate our actual output and utilisation rates for the Period Under Review is as follows:

- actual output from the Malaysia Factory was the quantity of masterbatch manufactured for in-house usage and for sale to third-party customers;

- utilisation rate is calculated by dividing the actual output by the annual capacity of the manufacturing facility.

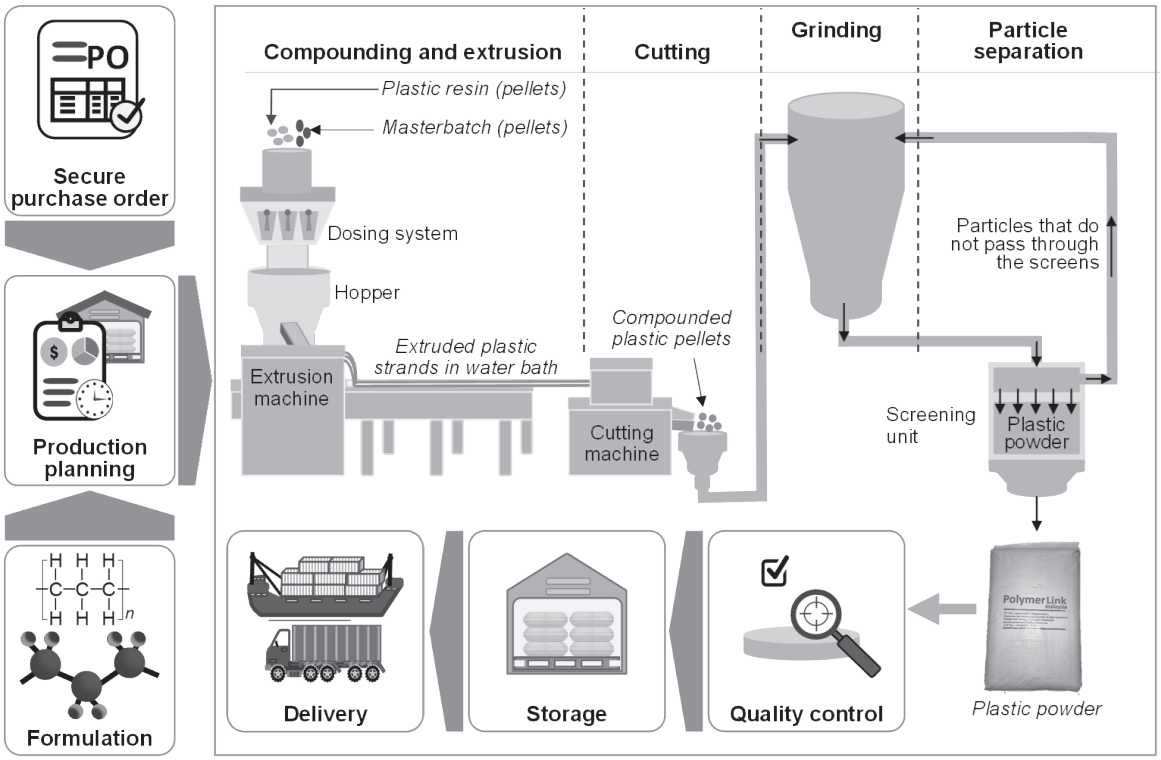
	Capacity (tonnes)	Actual output (tonnes)	Utilisation rate (%)
Malaysia Factory – Masterbatch			
FYE 2022	-	-	-
FYE 2023	1,112	191	17
FYE 2024	1,213	566	47
FPE 2025	905	378	42

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7. BUSINESS OVERVIEW *(Cont'd)*

7.9 BUSINESS PROCESS FLOW

The following sets out our process flow for the manufacturing of plastic powder at our manufacturing facilities in Malaysia, the Philippines and India:



- **Secure purchase order**

  Our operation process typically begins with customer enquiries. During this phase, our sales personnel will hold discussions with the potential customer to determine their specifications in terms of colour, particle size and other requirements, if any. We have our in-house R&D team and laboratory equipment to develop the plastic powder formulation based on the customer's specifications, and we will provide a sample to the customer for their testing and acceptance. If the customer does not accept the sample, we will adjust the formulation and provide a new sample.

  Once the formulation is accepted by the customer, we will provide a price quote based on the formulation and quantity of plastic powder required by the customer for consideration. Once the price quote is accepted, the customer will issue us with a purchase order.

  All our sales are based on purchase orders as and when required by the customers. Some of our customers provide us with rolling forecasts to help us in production planning and delivery schedules. However, rolling forecasts are not contractually binding and the customer must issue a purchase order whenever they want to purchase plastic powder from us.

7. BUSINESS OVERVIEW *(Cont'd)*

- **Production planning**

Input materials to manufacture plastic powder, such as plastic resins, masterbatch and additives, are purchased from suppliers. The input materials are sourced from both domestic and foreign suppliers. Typically, deliveries from suppliers in the same country as the factory would take approximately 1.5 weeks, while deliveries from other countries would take approximately 3 weeks. We conduct quality control inspections on all incoming input materials to ensure that they comply with our specifications. We will reject incoming input materials if we find that they do not comply with our specifications. The rejected materials will not be used for our manufacturing operations, and we will contact the supplier for rectification which normally involves the replacement of the non-compliant materials.
Generally, we maintain a stock-keeping level of 2 to 3 months for our input materials. If there is insufficient stock or stock is running low, we will place orders to stock up our inventory.

In addition to stock planning, our production planning will include prioritising production, human resources as well as delivery schedule.

- **Formulation**

Formulation refers to the selection of input materials and their respective ratio to achieve the desired specifications and requirements. The first consideration is the type of plastic resin, such as LLDPE and HDPE. The formulation will also specify the types and ratios of masterbatch and/or additives to be mixed with the plastic resin to achieve the required colour and other properties.

All these input materials and their respective ratios will be put together to go through the compounding process.

- **Compounding**

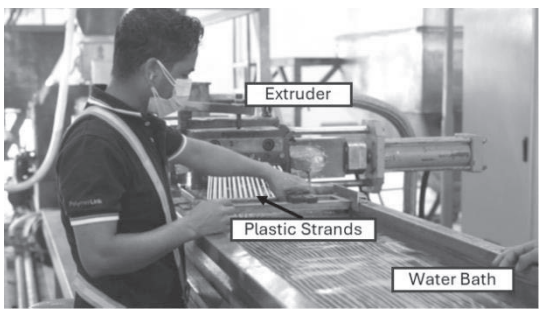
Dosing system



Compounding involves loading the plastic resin and the required additives and/or masterbatch into the dosing system. The dosing system will feed the required proportion or weight of plastic resin, additives and masterbatch into the extrusion machine that travels through a heated barrel and screw, where it is melted and compounded. The melted material is extruded through a die head and exits the extrusion machine as long strands of soft and semi-solid plastic.

The semi-solid plastic strands are run through a water bath to cool and solidify them. They are then fed into a cutting machine, where they are cut into compounded plastic pellets of uniform size.

Cooling semi-solid plastic strands in a water bath



7. BUSINESS OVERVIEW *(Cont'd)*

- **Grinding**

The manufacturing of non-compounded plastic powder commences at this stage with input materials being the required plastic resin. Non-compounded or compounded plastic resins are loaded into the grinding mill hopper. A shaking augur feeds the plastic pellets into the grinding mill at a controlled rate.

The grinding mill has 4 metal grinding plates, 2 of which are fixed while the other 2 spin at a high speed. The grinding plates have a series of radial cutting teeth that are cut at an angle so that the gap between the teeth edges is widest at the centre, and progressively narrows towards the outer edge of the grinding plates. The size of the gap can be adjusted to control the size of the plastic powder particles produced during grinding.

The plastic pellets are fed through the centre of the fixed grinding plate, and are forced to the outer edges by the flow of air and movement of the spinning grinding plate. The plastic pellets are progressively reduced in size as particles are shaved off by the cutting teeth as they move through the narrowing gap between the cutting teeth edges. Particles and plastic pellets remain between the grinding plates until they are small enough to exit through the narrowest gap around the edge.

Grinding mill



The particles that leave the grinding plates are carried by a flow of air to a screening unit. The screening unit has a number of screens of a specific mesh size. Particles that are too large to pass through the screens are conveyed back to the grinding mill for further grinding. Particles that pass through the screens are removed from the screening unit as finished plastic powder.

- **Quality control**

We collect samples from each batch for our in-house quality control testing at each of our factories. We test for physical parameters such as powder flow rate, density and particle size distribution, as well as chemical composition and additive concentration. Batches that fail additive composition tests can be reworked as plastic resin for future batches of similar composition. Batches that fail particle size tests may be reworked by further grinding.

- **Storage**

After it has passed the final quality control inspection, the plastic powder is stored at the factory's storage area.

Finished plastic powder storage



- **Delivery**

Customers have the option of having their orders delivered to designated locations or picking up their orders at the respective factories.

7. BUSINESS OVERVIEW *(Cont'd)*

For delivery to customers located in a different country from the factory, our products will be transported to the appropriate port for shipment to the designated location by third-party transportation providers. For delivery to customers located in the same country as the factory, the products will be transported from our factory to the final destination by third-party transportation companies.

7.10 MARKET POSITIONING AND ACTIVITIES

7.10.1 Our market positioning

We position our Group as a manufacturer of plastic powder with in-house R&D capabilities focusing on supplying them to roto-moulders. We have factories in 3 countries, namely Malaysia, the Philippines and India, to supply customers in these countries as well as other countries. In addition, we also have sales and marketing operations in Australia and the USA focused on selling our in-house manufactured plastic products in these countries.

Our in-house R&D capabilities

We market ourselves as having in-house R&D capabilities to develop plastic powder formulations that meet the specific requirements.

We have in-house R&D capabilities comprising our R&D laboratory and R&D department at our Malaysia Factory. Through our in-house R&D and product development efforts, we have developed the formulations for all compounded plastic powders for general and specialty applications and masterbatch that we manufacture. As at the LPD, we have developed 1,364 compounded plastic powder and masterbatch formulations.

Our manufacturing facilities in 3 countries

We also market ourselves as having manufacturing facilities in Malaysia, the Philippines and India that enable us to supply customers in the respective countries with lower delivery times and provide prompt after-sales support. Furthermore, our 3 factories provide us with backup manufacturing capability as each of our existing factories can fulfill any of our customer's orders should there be need to do so.

7.10.2 Marketing strategies and activities

As at the LPD, our marketing activities are carried out by 9 personnel in our sales and marketing department who are responsible for sales, marketing and business development activities. We market our products in Malaysia, the Philippines, India, Australia and the USA through our sales and marketing presence in these countries.

Our marketing strategy includes proactively identifying and approaching prospective customers to showcase our in-house product development and manufacturing capabilities, and our track record. Our goal in this respect is to demonstrate to prospective customers that we are able to formulate and manufacture plastic powder that meets their specific requirements, and to secure them as new customers to expand our customer base.

We also actively engage with our existing customers to provide after-sales services as required, obtain feedback on our products and keep up-to-date with their requirements, particularly in terms of any new formulations that they may require to manufacture new products. This engagement will help us to sustain our existing business relationships and develop customer loyalty.

7. BUSINESS OVERVIEW *(Cont'd)*

As part of our marketing strategy, we participate in exhibitions to raise our profile and meet with prospective customers. The exhibitions that we have participated in during the Period Under Review and up to the LPD are listed in the following table:

Year	Name of exhibition	Location	Nature of our participation
2022	Roto-moulding Association (ROMA) Annual International Summit	Goa, India	Technical seminar, conference and trade show participant
2023	Society of Asian Roto-moulders (StAR) Annual Conference	New Delhi, India	Conference participant
2023	The 35th International Exhibition on Plastics and Rubber Industries ChinaPlas 2023	Shenzhen, China	Exhibition participant
2023	China Plastics Association Roto-moulding Professional Committee 2023 Conference	Guangzhou, China	Conference participant
2023	Rotomould 2023	Queenstown, New Zealand	Conference participant
2023	Affiliation of Roto-moulding Organisations (ARMO) 2023	Poznan, Poland	Conference participant
2023	Global Plastics Summit	Bangkok, Thailand	Conference participant
2023	Whirlwind 2023 Roto-moulding Technology and Market Development Forum & Roto-moulding Enterprise Exchange Activity	Yingtan, China	Conference participant
2024	Roto-moulding Technology and Market Development Forum 2024	Guilin, China	Conference participant
2024	World Gamefowl Expo 2024(1)	Manila, Philippines	Exhibition participant
2024	China Roto-moulding Annual Conference 2024	Wenling, China	Conference participant
2024	Rotomould 2024	Gold Coast, Australia	Conference participant
2024	12th International Expo for Gamefowl Breeders, Suppliers & Enthusiasts(1)	Manila, Philippines	Exhibition participant
2025	Rotomould 2025	Hobart, Australia	Conference participant

Note:

(1) We attended the conference to market our manufactured plastic powder for use as plastic coating in wire and cages.

7. BUSINESS OVERVIEW *(Cont'd)*

7.11 RESEARCH AND DEVELOPMENT

We carry out R&D to develop compounded plastic powder formulations. All of the compounded plastic powders for general and specialty applications that we manufacture and sell were developed in-house through our R&D efforts. As at the LPD, we have developed 1,364 compounded plastic powder and masterbatch formulations. We will continue to carry out R&D activities.

We have security measures in place to secure our formulations, which include, incorporating a non-disclosure clause in all employee contracts, implementing password control to restrict access to electronic documents related to formulations, and compartmentalising information to ensure that no individual employee can access to any complete formulations.

The R&D activities that we currently conduct include the following:

- Developing new compounded plastic powder formulations to meet the specific performance requirements of our existing and prospective customers; and
- Improving or modifying the performance characteristic of an existing compounded plastic powder formulations.

We currently carry out our R&D activities through our R&D department headed by Koh Tat Chuan, our Group Senior Vice President, with 4 personnel, 2 of whom have obtained a PhD in a related field of study. Our R&D department and facilities are at our Malaysia Factory where all of our R&D personnel are based.
Our R&D expenses for the Period Under Review are summarised in the following table:

	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
R&D expenses	**RM'000**	**%(1)**	**RM'000**	**%(1)**	**RM'000**	**%(1)**	**RM'000**	**%(1)**
Operating expenses	53	*	117	0.1	144	0.1	260	0.2
Staff costs	159	0.1	315	0.2	442	0.3	422	0.4
Total R&D expenses	**212**	**0.1**	**432**	**0.3**	**586**	**0.4**	**682**	**0.6**

Notes:

* Less than 0.1%.

(1) As a percentage of total revenue.

7.12 TECHNOLOGIES USED

The technologies that we use in our manufacturing process are based on the following machinery and equipment:

- plastic extrusion;
- grinding; and
- mesh screening for particle separation.

We have various laboratory equipment to facilitate R&D as well as for quality control and testing, and they include the following:

- **Roto-moulding machine:** We have 2 units of industrial-scale roto-moulding machines with automated heating and cooling control systems at our Malaysia Factory. They have the capacity to roto-mould plastic products such as insulated cooler boxes. We use these roto-moulding machines to produce test products as part of our product development process for customers.

7. BUSINESS OVERVIEW *(Cont'd)*

- **Table-top roto-moulding machine:** Laboratory-scale roto-moulding machine to produce samples for R&D testing and analysis.

- **Injection moulding machine:** 1 unit of industrial-scale injection moulding machine at our Malaysia factory to produce samples for colour development R&D trials and to check the quality of the masterbatch that we manufacture.

- **In-mould temperature monitoring system:** Device to provide real-time temperature measurement and recording of the mould's interior during the heating and cooling cycles.

- **Spectrophotometer:** This device measures the colour and brightness of a test sample. We use this to determine if our formulation matches the customer's colour specifications.

- **Laboratory deep freezer:** Used to cool plastic samples to very low temperatures of as low as -40 °C.

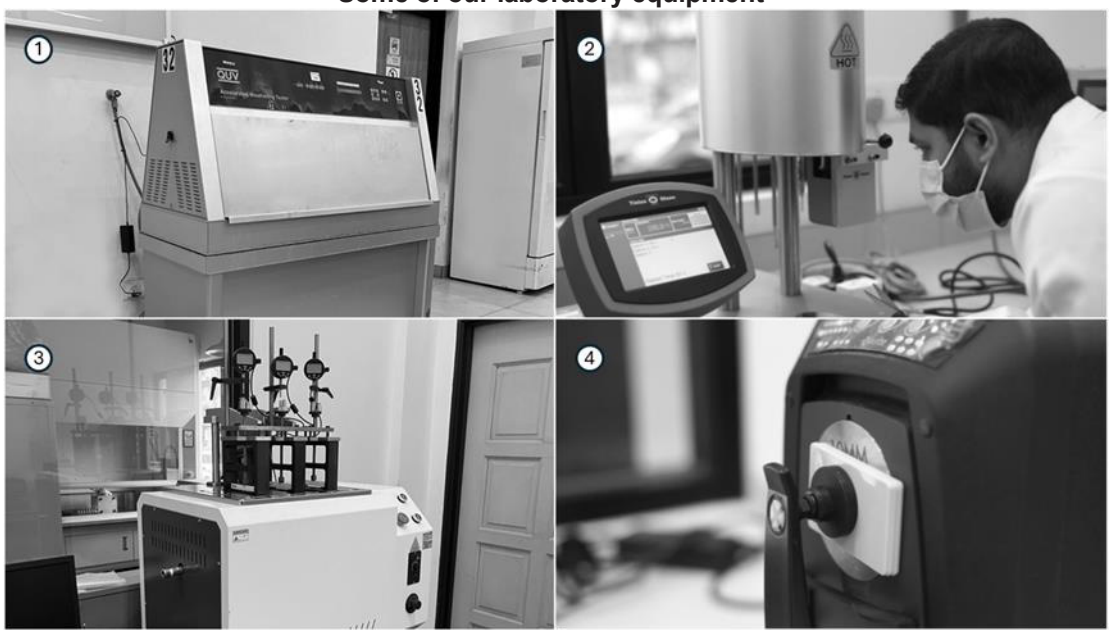
- **Accelerated weather tester:** Used to subject test samples to the accelerated weathering effects of temperature and exposure to ultraviolet ray (UV) and moisture. This enables us to simulate the effects of months or years of outdoor exposure in more practicable timeframe of a few days or weeks.

- **Melt flow index measurement device:** Apparatus used to measure the Melt Flow Index ("**MFI**") of a plastic. It consists of a heated barrel, weight and piston, and nozzle. The MFI is a measure of the proportion of a melted plastic sample that flows out of the device within a specified period of time. A plastic with high MFI can be described as "quick or easy flowing", while a plastic with low MFI is "slow flowing".

- **Impact tester:** A test system to measure the impact resistance of a plastic. A test weight is dropped from a certain height to deliver impact of known force onto a test sample. The test sample can be at ambient, frozen or deep-frozen temperature to determine its impact resistance at different temperatures.

- **Plastic sieve shaker:** This device comprises a shaker and series of sieves of different mesh sizes. The particle sieve shaker is used to separate the particles in a plastic powder sample into a range of different sizes to create a particle size distribution profile.

Some of our laboratory equipment



(1): Accelerated weather tester. (2) MFI measurement device. (3) Heat deformation tester. (4) Spectrophotometer.

7. BUSINESS OVERVIEW *(Cont'd)*

- **Dry flow funnel:** This device comprises a metal cone with an open bottom that is used to determine how smoothly plastic powder flows.
- **Electronic balance:** An electronic weighing scale to accurately measure the weight of a sample.
- **Heat deformation tester:** A test system that is used to determine the ability of a test sample to bear force when it is at a specified elevated temperature. Force is applied on test sample after is heated to the specified temperature in an oil bath, and the resulting deformation is measured.

7.13 SEASONALITY AND CYCLICALITY

During the Period Under Review and up to the LPD, we did not experience any material seasonality in our business.

7.14 MATERIAL INTERRUPTIONS TO OUR BUSINESS AND OPERATIONS

We did not experience any material interruptions to our business during the past 12 months before the LPD.

7.15 TYPES AND SOURCES OF MATERIALS AND SERVICES

The following are the major types of materials and services that we purchased for our business operations in Malaysia, the Philippines and India for the Period Under Review:

Purchases of materials and services

	FYE 2022		FYE 2023		FYE 2024	
	Value of purchases	[(1)]Proportion of total purchases	Value of purchases	[(1)]Proportion of total purchases	Value of purchases	[(1)]Proportion of total purchases
	(RM'000)	*(%)*	*(RM'000)*	*(%)*	*(RM'000)*	*(%)*
Malaysia operations	**32,555**	**30.1**	**32,628**	**41.0**	**46,374**	**51.9**
Materials for manufacturing plastic powder	**27,554**	**25.4**	**28,303**	**35.6**	**44,869**	**50.2**
Plastic resin	23,684	21.9	23,260	29.2	37,463	41.9
Additives	2,062	1.9	4,166	5.3	7,009	7.8
Masterbatch	1,808	1.7	877	1.1	397	0.4
Materials for trading	**4,913**	**4.6**	**4,240**	**5.3**	**1,406**	**1.6**
Equipment	1,021	1.0	400	0.5	90	0.1
Lubricants	3,702	3.4	3,744	4.7	1,284	1.4
Parts	190	0.2	96	0.1	32	*
Services	**88**	**0.1**	**85**	**0.1**	**99**	**0.1**
Services	88	0.1	85	0.1	99	0.1
Philippines operations	**47,177**	**44.6**	**20,869**	**26.2**	**24,452**	**27.3**
Materials for manufacturing plastic powder	**47,174**	**44.6**	**20,869**	**26.2**	**24,452**	**27.3**
Plastic resin	41,740	39.5	20,727	26.0	24,452	27.3

7. BUSINESS OVERVIEW *(Cont'd)*

	FYE 2022		FYE 2023		FYE 2024	
	Value of purchases	[1]Proportion of total purchases	Value of purchases	[1]Proportion of total purchases	Value of purchases	[1]Proportion of total purchases
	(RM'000)	*(%)*	*(RM'000)*	*(%)*	*(RM'000)*	*(%)*
Additives	-	-	-	-	-	-
Masterbatch	5,434	5.1	142	0.2	-	-
Materials for trading	**3**	*	**-**	**-**	**-**	**-**
Equipment and products[2]	3	*	-	-	-	-
India operations	**28,650**	**26.4**	**26,148**	**32.8**	**18,542**	**20.7**
Materials for manufacturing plastic powder	**28,650**	**26.4**	**26,148**	**32.8**	**18,542**	**20.7**
Plastic resin	27,342	25.2	25,946	32.6	12,753	14.3
Additives	473	0.4	8	*	5,631	6.3
Masterbatch	835	0.8	194	0.2	158	0.2
Australia operations[3]	**-**	**-**	**-**	**-**	**96**	**0.1**
Materials for trading	**-**	**-**	**-**	**-**	**96**	**0.1**
Plastic powder	-	-	-	-	96	0.1
Total	**108,382**	**100.0**	**79,645**	**100.0**	**89,464**	**100.0**

	FPE 2025	
	Value of purchases	[1]Proportion of total purchases
	(RM'000)	*(%)*
Malaysia operations	**35,129**	**59.7**
Materials for manufacturing plastic powder	**35,053**	**59.6**
Plastic resin	31,947	54.3
Additives	2,841	4.8
Masterbatch	265	0.5
Materials for trading	**9**	*
Equipment	-	-
Lubricants	9	*
Parts	-	-
Services	**67**	**0.1**
Services	67	0.1
Philippines operations	**11,664**	**19.8**
Materials for manufacturing plastic powder	**11,664**	**19.8**
Plastic resin	11,664	19.8
Additives	-	-
Masterbatch	-	-

7. BUSINESS OVERVIEW *(Cont'd)*

	FPE 2025	
	Value of purchases	[1]Proportion of total purchases
	(RM'000)	*(%)*
Materials for trading	**-**	**-**
Equipment and products[2]	-	-
India operations	**11,138**	**19.0**
Materials for manufacturing plastic powder	**11,138**	**19.0**
Plastic resin	7,103	12.1
Additives	3,869	6.6
Masterbatch	166	0.3
Australia operations[3]	**905**	**1.5**
Materials for trading	**905**	**1.5**
Plastic powder	905	1.5
Total	**58,836**	**100.0**

Notes:

* Less than 0.1%.

(1) As a percentage of total Group purchases of materials and services.

(2) Includes a small proportion of parts and lubricants.

(3) Our Australia operations commenced business operations in FYE 2024.

Although our USA operations commenced business operations in FYE 2024, Polymer Link USA did not purchase any materials or services from external suppliers. All of the plastic powder sold by our USA operations in FYE 2024 comprised in-house manufactured plastic powder for general and specialty applications.

Our main business activity is manufacturing plastic powder, and consequently purchase of materials for manufacturing plastic powder comprising plastic resin, masterbatch and additives for our operations in Malaysia, the Philippines and India accounted for 95.4%, 94.6%, 98.2%, and 98.3% of our total purchases of materials and services for FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively.

Purchases of equipment and products for our trading business activity accounted for 4.5%, 5.3%, 1.7%, and less than 0.1% of our total purchases of materials and services for FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively, and purchases of plastic resin for trading accounted for 0.1% and 1.5% of our total purchases of materials and services for FYE 2024 and FPE 2025 respectively. Meanwhile, services accounted for the remaining 0.1%, 0.1%, 0.1%, and 0.1% of our total purchases of materials and services for FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively.

Plastic resin was our largest purchase of materials and services for the Period Under Review. Purchases of plastic resin by our Malaysia, Philippines and India operations for manufacturing plastic powder and by our Australia operations for trading collectively accounted for 85.6%, 87.8%, 83.5%, and 87.7% of our total purchases of materials and services for FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. Plastic resin is our main input material for manufacturing plastic powder. The main types of plastic resin that we purchased during the Period Under Review were LLDPE, and HDPE, and we also purchased other types of plastic resin such as PET and PP.

7. BUSINESS OVERVIEW *(Cont'd)*

Purchases of additives by our Malaysia, Philippines and India operations collectively accounted for 2.3%, 5.2%, 14.1%, and 11.4% of our total purchases of materials and services for FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively, and purchases of masterbatch collectively accounted for 7.5%, 1.5%, 0.6%, and 0.7% of our total purchases of materials and services respectively. Commencing from FYE 2023, we manufactured masterbatch for our in-house use and for sale to customers which resulted in lower purchases of masterbatch (in percentage terms) in FYE 2023, FYE 2024, and FPE 2025 compared to FYE 2022, and higher purchases of additives (in percentage terms) in FYE 2023, FYE 2024, and FPE 2025 compared to FYE 2022.

During the Period Under Review, our Malaysia and Philippines operations purchased equipment and products such as air compressors, air receiver tanks, air dryers, spare parts and lubricants for our trading of equipment and products, and maintenance of equipment business activities. Purchases of these materials collectively accounted for 4.5%, 5.3%, and 1.6% respectively of our total purchases of materials and services for FYE 2022, FYE 2023 and FYE 2024. We are discontinuing the trading of equipment and products business to focus on our principal activities of manufacturing plastic powder, and we have stopped purchasing equipment and lubricants since July 2022 and January 2025 respectively. Consequently, purchases of equipment and products for trading was less than 0.1% of total purchases of materials and services for FPE 2025. Our operations in India did not carry out the trading of equipment and products, and maintenance of equipment business activities during the Period Under Review.

Purchases of subcontracted services by our Malaysia and Philippines operations collectively accounted for 0.1%, 0.1%, 0.1% and 0.1% respectively of our total purchases of materials and services for FYE 2022, FYE 2023, FYE 2024 and FPE 2025. The subcontracted services that we purchased during the Period Under Review included installation of equipment at our customers' premises and contract roto-moulding services.

Both our Australia operations and USA operations commenced business operations in FYE 2024, and they are mainly involved in the marketing and supply of plastic materials. The plastic materials sold by our Australia operations and USA operations mainly comprised plastic powder for general and specialty applications manufactured in-house by our Group. In addition, our Australia operations also purchased plastic powder that amounted to 0.1% and 1.5% of our total purchases of materials and services in FYE 2024 and FPE 2025 respectively.

The sources of supply for our Group are summarised in the table provided below:

	FYE 2022		FYE 2023		FYE 2024	
	Value of purchases	[1]Proportion of total purchases	Value of purchases	[1]Proportion of total purchases	Value of purchases	[1]Proportion of total purchases
	(RM'000)	*(%)*	*(RM'000)*	*(%)*	*(RM'000)*	*(%)*
Malaysia operations	**32,555**	**30.0**	**32,628**	**41.0**	**46,374**	**51.8**
Malaysia	11,332	10.4	14,784	18.6	13,783	15.4
Other countries	21,223	19.6	17,844	22.4	32,591	36.4
Philippines operations	**47,177**	**43.5**	**20,869**	**26.2**	**24,452**	**27.3**
Philippines	3	*	-	-	17	*
Other countries	47,174	43.5	20,869	26.2	24,435	27.3
India operations	**28,650**	**26.5**	**26,148**	**32.8**	**18,542**	**20.8**
India	20,108	18.6	20,493	25.7	17,684	19.8
Other countries	8,542	7.9	5,655	7.1	858	1.0
Australia operations [2]	**-**	**-**	**-**	**-**	**96**	**0.1**
Australia	-	-	-	-	96	0.1
Other countries	-	-	-	-	-	-
Total	**108,382**	**100.0**	**79,645**	**100.0**	**89,464**	**100.0**

7. BUSINESS OVERVIEW *(Cont'd)*

	FPE 2025	
	Value of purchases	[1]Proportion of total purchases
	(RM'000)	*(%)*
Malaysia operations	**35,129**	**59.7**
Malaysia	7,842	13.3
Other countries	27,287	46.4
Philippines operations	**11,664**	**19.8**
Philippines	-	-
Other countries	11,664	19.8
India operations	**11,138**	**19.0**
India	10,956	18.7
Other countries	182	0.3
Australia operations [2]	**905**	**1.5**
Australia	-	-
Other countries	905	1.5
Total	**58,836**	**100.0**

Notes:

* Less than 0.1%.

(1) As a percentage of total Group purchases of materials and services.

(2) Our Australia operations commenced in FYE 2024.

Although our USA operations commenced business operations in FYE 2024, Polymer Link USA did not purchase any materials or services from external suppliers. All of the plastic powder sold by our USA operations in FYE 2024 comprised in-house manufactured plastic powder for general and specialty applications.

Overall, our business operations purchase materials from suppliers in the countries where they are located, as well as suppliers in other countries.

We have not experienced any shortages in purchasing our materials and services during the Period Under Review and up to the LPD. Plastic resin is a commodity material, and as a result it is affected by global price fluctuations due to global demand and supply conditions. Please refer to **Section 9** of this Prospectus for additional information relating to the risks of fluctuations in plastic resin and crude oil prices.

7. BUSINESS OVERVIEW *(Cont'd)*

7.16 MAJOR CUSTOMERS

Our Group's top 5 major customers for the Period Under Review are as follows:

FYE 2022

Customer/ Customer Group	Country	Main types of products	Revenue contribution		Length of relationship*
			(RM'000)	(%)	(years)
Outback Philippines(1)	Philippines	Plastic powder for general applications	81,768	54.0	7
OK Play Group(2)	India	Plastic powder for specialty applications	21,952	14.5	2
Promens Miedzyrzecz Sp. Z.O.O.(3)	Poland	Plastic powder for general applications	8,844	5.8	3
Simplast India Pvt Ltd	India	Plastic powder for specialty applications	7,184	4.7	2
B.D. Industries India Pvt Ltd	India	Plastic powder for specialty applications	5,129	3.4	2
Sub-total of top 5 customers			**124,877**	**82.4**	
Our Group revenue			**151,356**		

Notes:

* Length of the relationship as at FYE 2022.

(1) Sales to Outback Philippines only consists of plastic powder for roto-moulded coolers.

(2) OK Play Group comprised OK Play India Limited and OK Play Auto Limited.

(3) Now known as Rotovia Miedzyrzecz Sp. Z.O.O.

FYE 2023

Customer/ Customer Group	Country	Main types of products	Revenue contribution		Length of relationship*
			(RM'000)	(%)	(years)
Outback Philippines(1)	Philippines	Plastic powder for general applications	56,932	42.9	8
OK Play Group(2)	India	Plastic powder for specialty applications	28,349	21.3	3
Bapl Rototech Pvt Ltd	India	Plastic powder for specialty applications	6,961	5.2	3
Tankpool Pty Ltd	Australia	Plastic powder for general and specialty applications	5,482	4.1	#

7. BUSINESS OVERVIEW *(Cont'd)*

Customer/ Customer Group	Country	Main types of products	Revenue contribution		Length of relationship*
			(RM'000)	(%)	(years)
Simplast India Pvt Ltd	India	Plastic powder for specialty applications	5,150	3.9	3
Sub-total of top 5 customers			**102,874**	**77.4**	
Our Group revenue			**132,844**		

Notes:

* Length of the relationship as at FYE 2023.

\# Business relationship commenced in 2023.

(1) Sales to Outback Philippines only consists of plastic powder for roto-moulded coolers.

(2) OK Play Group comprised OK Play India Limited and OK Play Auto Limited.

FYE 2024

Customer/ Customer Group	Country	Main types of products	Revenue contribution		Length of relationship*
			(RM'000)	(%)	(years)
Outback Philippines(1)	Philippines	Plastic powder for general applications	57,334	39.4	9
OK Play Group(2)	India	Plastic powder for specialty applications	22,189	15.3	4
Tankpool Pty Ltd	Australia	Plastic powder for general and specialty applications	11,598	8.0	1
Bapl Rototech Pvt Ltd	India	Plastic powder for specialty applications	6,236	4.3	4
Simplast India Pvt Ltd	India	Plastic powder for specialty applications	5,139	3.5	4
Sub-total of top 5 customers			**102,496**	**70.5**	
Our Group revenue			**145,360**		

Notes:

* Length of the relationship as at FYE 2024.

(1) Sales to Outback Philippines only consists of plastic powder for roto-moulded coolers.

(2) OK Play Group comprised OK Play India Limited and OK Play Auto Limited.

7. BUSINESS OVERVIEW *(Cont'd)*

FPE 2025

Customer/ Customer Group	Country	Main types of products	Revenue contribution		Length of relationship*
			(RM'000)	(%)	(years)
Outback Philippines(1)	Philippines	Plastic powder for general applications	43,809	41.1	10
OK Play Group(2)	India	Plastic powder for specialty applications	14,363	13.5	5
Simplast India Pvt Ltd	India	Plastic powder for specialty applications	5,697	5.3	5
Tankpool Pty Ltd	Australia	Plastic powder for general and specialty applications	4,782	4.5	2
DuluxGroup (PBG) Pte. Ltd.	Papua New Guinea	Plastic powder for general applications	3,520	3.3	1
Sub-total of top 5 customers			**72,171**	**67.7**	
Our Group revenue			**106,626**		

Notes:

* Length of the relationship as at FPE 2025.

(1) Sales to Outback Philippines only consists of plastic powder for roto-moulded coolers.

(2) OK Play Group comprised OK Play India Limited and OK Play Auto Limited.

We are dependent on Outback Philippines and the OK Play Group due to their respective revenue contributions which exceeded 10.0% of our total Group revenue during the Period Under Review.

(i) Outback Philippines

We are dependent on Outback Philippines as they were our largest customer having contributed 54.0%, 42.9%, 39.4% and 41.1% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. Outback Philippines uses our plastic powder for general applications to manufacture insulated cooler boxes using the roto-moulding method for a brand owner based in USA.

As at the LPD, we have been dealing with Outback Philippines for approximately 10 years and this relatively long relationship provides some assurance of a continuing business relationship moving forward. In addition, the shareholders of Outback Philippines are also substantial shareholders of our Group. Please refer to **Section 11.1.1** of this Prospectus for details on the conflict of interest between Outback Philippines and our Group.

(ii) OK Play Group

We are also dependent on OK Play Group as this group of customers contributed 14.5%, 21.3%, 15.3% and 13.5% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. The OK Play Group utilises our plastic powder for specialty applications to manufacture diesel fuel tanks for agricultural vehicles, prime movers and trucks.

7. BUSINESS OVERVIEW *(Cont'd)*

As at the LPD, we have been dealing with the OK Play Group for approximately 5 years and this relatively long relationship provides some assurance of a continuing business relationship moving forward.

We are taking the following measures to reduce our dependency on Outback Philippines and the OK Play Group:

- We have in-house R&D team and facilities to develop plastic powder formulations to meet requirements of prospective customers to expand our customer base.

- We actively market our products and have expanded our customer base during the Period Under Review. We had approximately 100, 110, 160, and 150 active customers for plastic powder manufacturing for FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

7.17 MAJOR SUPPLIERS

Our Group's top 5 major suppliers for the Period Under Review are as follows:

FYE 2022

Supplier	Country	Main types of products and services purchased	Purchases		Length of relationship*
			(RM'000)	(%)	(years)
GC Group(1)	Thailand	Plastic resin	37,347	34.5	3
Lotte Chemical Corporation(2)	Korea	Plastic resin	18,123	16.7	8
Reliance Industries Limited	India	Plastic resin	15,113	13.9	2
Durocolour Viet Nam Limited	Vietnam	Masterbatch	7,850	7.2	6
Insai Chemplast Pvt Ltd	India	Plastic resin	4,092	3.8	1
Sub-total of top 5 suppliers			**82,525**	**76.1**	
Our Group purchases of materials and services			**108,382**		

Notes:

* Length of the relationship as at FYE 2022.

(1) For FYE 2022, GC Group comprised PTT Global Chemical Public Company Limited and GC Marketing Solutions Company Limited.

(2) Lotte Chemical Corporation has ceased being our major supplier for FYEs 2023 and FYE 2024, as we have reduced our purchases from Lotte Chemical Corporation in view that we have been offered more favourable terms by our other suppliers.

7. BUSINESS OVERVIEW *(Cont'd)*

FYE 2023

Supplier	Country	Main types of products and services purchased	Purchases		Length of relationship*
			(RM'000)	(%)	(years)
GC Group(1)	Thailand	Plastic resin	27,783	34.9	4
Reliance Industries Limited	India	Plastic resin	13,386	16.8	3
RV Plastek	India	Plastic resin	7,567	9.5	1
Insai Chemplast Pvt Ltd	India	Plastic resin	5,462	6.9	2
PETRONAS Chemicals Marketing (Labuan) Ltd.	Malaysia	Plastic resin	4,275	5.4	1
Sub-total of top 5 suppliers			**58,473**	**73.5**	
Our Group purchases of materials and services			**79,645**		

Notes:

* Length of the relationship as at FYE 2023.

(1) For FYE 2023, GC Group comprised PTT Global Chemical Public Company Limited.

FYE 2024

Supplier	Country	Main types of products and services purchased	Purchases		Length of relationship*
			(RM'000)	(%)	(years)
GC Group(1)	Thailand	Plastic resin	46,120	51.6	5
Reliance Industries Limited	India	Plastic resin	9,879	11.0	4
PETRONAS Chemicals Marketing (Labuan) Ltd.	Malaysia	Plastic resin	5,773	6.5	2
RV Plastek	India	Plastic resin	5,580	6.2	2
Commercial Plastic Industries Sdn Bhd	Malaysia	Plastic resin	3,347	3.7	9
Sub-total of top 5 suppliers			**70,699**	**79.0**	
Our Group purchases of materials and services			**89,464**		

7. BUSINESS OVERVIEW *(Cont'd)*

Notes:

* Length of the relationship as at FYE 2024.

(1) For FYE 2024, GC Group comprised PTT Global Chemical Public Company Limited.

FPE 2025

Supplier	Country	Main types of products and services purchased	Purchases		Length of relationship*
			(RM'000)	(%)	(years)
GC Group[(1)]	Thailand	Plastic resin	35,936	61.1	5
RV Plastek	India	Plastic resin	5,183	8.8	3
Reliance Industries Limited	India	Plastic resin	4,682	8.0	5
PETRONAS Chemicals Marketing (Labuan) Ltd.	Malaysia	Plastic resin	1,407	2.4	3
Thai Polyethylene Co., Ltd	Thailand	Plastic resin	1,354	2.3	2
Sub-total of top 5 suppliers			**48,562**	**82.6**	
Our Group purchases of materials and services			**58,836**		

Notes:

* Length of the relationship as at FPE 2025.

(1) For FPE 2025, GC Group comprised PTT Global Chemical Public Company Limited.

We are dependent on the GC Group and Reliance Industries Limited as suppliers as they each accounted for more than 10.0% of our total purchases of materials and services for each of the Period Under Review save for FPE 2025. We are not dependent on Lotte Chemical Corporation as a supplier as they accounted for more than 10.0% of our total purchases of materials and services only in FYE 2022, but they accounted for less than 10.0% of our total purchases and were not 1 of our top-5 suppliers in FYE 2023, FYE 2024 and FPE 2025.

(i) GC Group

GC Group from Thailand supplied plastic resin to us and accounted for 34.5%, 34.9%, 51.6% and 61.1% of our total purchases of materials and services for the FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. GC Group were our largest supplier for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025.

(ii) Reliance Industries Limited

Reliance Industries Limited from India supplied plastic resin to us and accounted for 13.9%, 16.8%, 11.0% and 8.0% of our total purchases of materials and services for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

7. BUSINESS OVERVIEW *(Cont'd)*

Our dependence on GC Group and Reliance Industries Limited are mitigated by the following factors:

- As at the LPD, we have been dealing with the GC Group and Reliance Industries Limited for approximately 6 years and 5 years respectively. Our long business relationship with these suppliers provides some assurance that they will continue to supply us in the future.

- The types of plastic resin that we purchase from GC Group and Reliance Industries Limited are commodity materials and we can easily source similar plastic resin from other suppliers, if required. During the Period Under Review, we purchased similar types of plastic resin from approximately 11 other suppliers (in addition to GC Group and Reliance Industries Limited).

7.18 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS OR AGREEMENTS

Save as disclosed below, as at the LPD, our Group is not dependent on any contracts or agreements including commercial and financial contracts which are material to our business or profitability:

(a) The salient terms of the supply agreement between Polymer Link Malaysia and Polymer Link Philippines and Outback Philippines are as follows ("**Supply Agreement**"):

Contracting Parties	Polymer Link Malaysia and Polymer Link Philippines (as vendors) (collectively referred to as the "**Polymer Parties**") and Outback Philippines (as purchaser).
Duration	3 years commencing on date of the Supply Agreement (i.e. 6 December 2017) and shall be automatically renewed for an additional period of 1 year on each anniversary of the date of the Supply Agreement unless prior written notice of at least three (3) months is given by either party for the non-renewal before the anniversary of the date of the Supply Agreement.
Description	The Supply Agreement outlines the terms and conditions for the supply of specific compounded plastic powder ("**Polymer Powder**") by Polymer Parties to Outback Philippines, which will be used by Outback Philippines for the production of insulated boxes for its sole customer ("**Customer**").
Products Specification	1. Colour: Beige, white and blue. 2. Minimum order of one (1) 20' full container load (FCL) comprising of 14.5 tonnes of a single colour or combination of any colours specified above. 3. The Polymer Powder is to be packed in loose polypropylene woven bags of 25 kilograms per bag.
Exclusivity	1. During the term of the Supply Agreement, save for the sale and/or supply of the Polymer Powder to Customer (pursuant to the instructions of the Customer), Polymer Parties shall not sell and/or supply the Polymer Powder (limited to 3 colours, namely beige, white and blue) to any parties with a plant and/or manufacturing facility producing rotationally moulded coolers. 2. Notwithstanding the above, Polymer Parties may enter into agreements with other customers for the sale and/or supply of other types of products in their portfolio.

7. BUSINESS OVERVIEW *(Cont'd)*

	3. Outback Philippines agreed to exclusively purchase the Polymer Powder from Polymer Parties provided that Polymer Parties are able to meet Outback Philippines' volume requirement as well as the quality specifications.
Termination	Either party shall be entitled, without cause or justification, to provide prior written notice of at least 3 months before the anniversary of the date of the Supply Agreement to the other party of its intention not to renew the Supply Agreement.
Title and Risk	1. Title to the Polymer Powder, along with the risk of damage or loss and the responsibility to insure, shall transfer to Outback Philippines upon delivery of the Polymer Powder to the designated port, including Port Klang, Selangor (for deliveries from Polymer Link Malaysia), Clark Free Port Zone (for deliveries from Polymer Link Philippines), or any other mutually agreed port confirmed in writing. 2. Notwithstanding the transfer of risk or delivery, ownership of the Polymer Powder shall remain with Polymer Parties until receipt of the full Purchase Price. Until the successful transfer of the ownership, Outback Philippines shall hold the Polymer Powder as fiduciary agent and bailee of Polymer Parties.
Governing Law/ Jurisdiction	1. The Supply Agreement shall be governed by, interpreted and construed in all respects in accordance with the laws of the Philippines and to the exclusion of Malaysian laws. 2. The parties irrevocably submit to the exclusive jurisdiction of the courts of the Philippines for the determination of all actions and proceedings arising out of this Supply Agreement. 3. The parties shall attempt to settle any dispute which arises in relation to the Supply Agreement in good faith first through mediation and discussion between the parties and if no solution is reached within 30 days from the date when such dispute or difference arose, either party may, on giving written notice to the other party, require the dispute to be determined by arbitration by a single arbitrator in accordance with the Philippine Arbitration Rules. 4. The arbitration proceedings including the making of the award shall take place in Philippines and the award of the arbitrators shall be final and binding upon the parties. As far as applicable, any award rendered shall be enforceable in accordance with Philippines law. Notwithstanding the foregoing, judgment upon the award may be entered in any court having jurisdiction or application may be made to such a court for judicial acceptance of the award and order for enforcement (as the case may be).

Our Group has been able to meet Outback Philippines' volume requirements and quality specifications during the Period Under Review.

7. BUSINESS OVERVIEW *(Cont'd)*

(b) The salient terms of the supply agreement between Polymer Link Malaysia and PTT Global Chemical Public Company Limited are as follows ("**Sale Agreement**"):

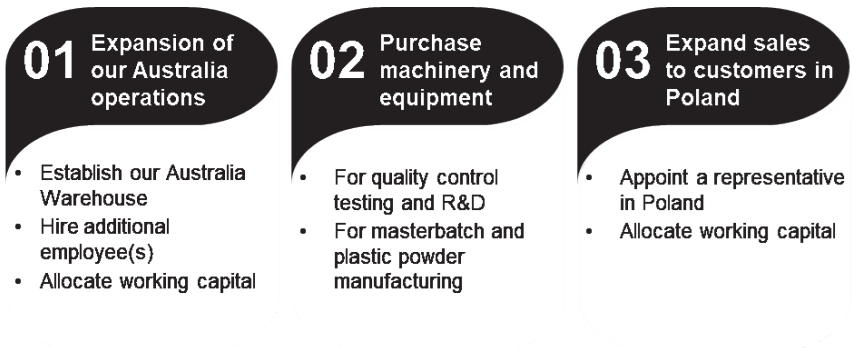
Contracting Parties	PTT Global Chemical Public Company Limited ("**PTTGC**") (as vendor) and Polymer Link Malaysia (as purchaser).
Duration	1 January 2025 to 31 December 2025.
Description	The Sale Agreement outlines the terms and conditions for the sale and purchase of LLDPE InnoPlus Resin ("**PTTGC Product**").
Quantity	The quantity of the PTTGC Product to be delivered shall be of a certain minimum volume load per quarter, with a 20% variation or any other amount to be mutually agreed between the parties.
Product Warranty	1. PTTGC warrants that the PTTGC Product shall conform to the standard specifications outlined in the Sale Agreement. 2. All other warranties, expressed or implied, with respect to the PTTGC Product, used alone or in combination with other materials, including but not limited to any implied warranty for fitness or merchantability for any purpose, are disclaimed to the extent applicable under the relevant laws. 3. Under no circumstances shall the warranty under the Sale Agreement be extended to the resale of PTTGC Product.
Termination / Events of Default	1. If either party files for bankruptcy, makes a general assignment for the benefit of creditors, or has a receiver appointed due to insolvency, the other party may terminate the Sale Agreement by a written notice specifying the effective date of termination. 2. If either party defaults on any express obligation under the Sale Agreement, such as delivery of the products by PTTGC and payment to be made by Polymer Link Malaysia, the non-defaulting party may issue a written notice requiring the defaulting party to remedy the breach within 30 days, failing which both parties shall mutually agree on the effective termination date, which will be specified in a written notice to the defaulting party.
Indemnities	1. Polymer Link Malaysia shall, in respect of the operations to be performed under the Sale Agreement, indemnify and hold harmless PTTGC against and from all claims, whether in contract or in tort for damage to property or injury to persons wherever occurring only insofar as such damage or injury arises as a direct, immediate and natural result of the intention or negligence of Polymer Link Malaysia, its servants and agents or arises from the PTTGC Product in Polymer Link Malaysia's possession or control. 2. PTTGC agrees, in respect of the operations to be performed under the Sale Agreement to indemnify and hold harmless Polymer Link Malaysia against and from all claims whether in contract or in tort for damage to property or injury to persons wherever occurring only insofar as such damage or injury arises as a direct, immediate and natural result of the intention or negligence of PTTGC, its servants and agents or arises from the PTTGC Product in PTTGC's possession or control.

7. BUSINESS OVERVIEW *(Cont'd)*

Title and Risk	1. All risks of loss or damage to the PTTGC Product shall be transferred from PTTGC to Polymer Link Malaysia upon the PTTGC Product being placed onboard the vessel. However, PTTGC shall remain responsible for the cost of goods, insurance and freight up to the designated destination port. 2. Title to the PTTGC Product shall pass from PTTGC to Polymer Link Malaysia at the designated destination port. 3. The Sale Agreement is subject to Incoterms 2020, an internationally recognised rules issued by the International Chamber of Commerce (ICC) which sets out the responsibilities of buyers and sellers in international trade, including the delivery of goods, transfer of risks, allocation of costs, customs clearance, and insurance obligations.
Governing Law/ Jurisdiction	1. The Sale Agreement shall be governed and construed by the laws of England. 2. Any difference, dispute, claim or question between the parties under the Sale Agreement shall be discussed and settled amicably between the parties. 3. In the event the parties are unable to settle any difference, dispute, claim or question within 30 days of written notice by either party, the matter in difference, dispute, claim or question shall be referred to and finally resolved by arbitration in Singapore in accordance with the rules and procedures of the Arbitration Rules of the Singapore International Arbitration Centre. The number of arbitrators shall be 3 and the language of the arbitration shall be in English. The decision rendered by the arbitrators shall be final and binding upon both parties. The arbitration expenses shall be borne as directed by the arbitrators.

7.19 OUR BUSINESS STRATEGIES AND PLANS

Our business strategies and plans to grow our business are focused on leveraging our core competencies and strengths in manufacturing plastic powder. We plan to expand our Australia operations, purchase new machinery and equipment, and expand sales to customers in Poland. The following diagram summarises our business strategies and plans:



7. BUSINESS OVERVIEW *(Cont'd)*

7.19.1 Expansion of our Australia operations

As at the LPD, notwithstanding that we have employed a General Manager based in Australia, we do not have any physical premises in Australia. As part of our business strategy, we plan to expand our Australia operations by setting up our Australia Warehouse, hiring additional employee(s) and allocating additional working capital.

We intend to set up our Australia Warehouse in a leased industrial building. We have identified Brisbane in Queensland, Australia as the target location of the Australia Warehouse due to its proximity with Brisbane Port and Tankpool Pty Ltd, 1 of our major customers. As at the LPD, we are still in the midst of identifying suitable premises for our Australia Warehouse. We plan to commence setting up of the Australia Warehouse within 2 months after our IPO. Based on the assumption that our Listing completes in the 4th quarter of 2025, the key milestones for setting up the Australia Warehouse are summarised in the following table:

Tentative timeline	Key milestone
1st quarter of 2026	• Expected signing of lease agreement • Expected submission of application for warehouse licence
2nd quarter of 2026	• Expected issuance of warehouse licence • Expected commencement of storage of manufactured plastic powder in the Australia Warehouse

We plan to use the Australia Warehouse to store the types of manufactured plastic powder that are commonly purchased by our customers in Australia. This can help to reduce the order fulfilment time for customers in Australia from the current 4 weeks to 6 weeks (plastic powder manufactured at and delivered from our Malaysia Factory) to no more than 1.5 weeks through delivery from the Australia Warehouse. Shortening the order fulfilment time will increase the level of service that we provide to customers and can help to expand our customer base in Australia. Save for the warehouse licence to be obtained, there are no other licences required by our Group under the relevant laws and regulations in Australia to use the Australia Warehouse for the said purpose.

As at the LPD, we employ a general manager(1) and a sales and operation executive for Polymer Link Australia. We intend to hire 1 additional employee who will be reporting to the general manager for our Australia operations. The additional employee will be a logistics personnel, who will be responsible for inventory management and order fulfilment for our business operations in Australia.

Note:

(1) He is a Director and general manager of Polymer Link Australia since October 2024. He has over 20 years of experience in sales, marketing, and management roles across the construction, real estate, energy, and industrial services sectors. He is responsible for the overall operations and sales of Polymer Link Australia which include managing customer relationships, driving revenue growth and aligning the corporate objectives with our headquarters in Malaysia.

We have also allocated part of our IPO proceeds as working capital for our Australia operations, which will be used for the purchase of input materials, namely plastic resin. The plastic resin will be allocated for the production of plastic powders for the sale to our customers in Australia, mainly manufactured plastic powder for general applications which is manufactured at our Malaysia Factory.

We intend to use approximately RM5.0 million of our IPO proceeds for the expansion of our Australia operations, as follows:

7. BUSINESS OVERVIEW *(Cont'd)*

Description of use	Amount of proceeds (RM'000)	Estimated timeframe for use upon Listing
Setting up the Australia Warehouse[1]	275	Within 24 months
Staff salaries[2]	385	Within 24 months
Working capital	4,370	Within 24 months
Total	**5,030**	

Notes:

(1) Rental expenses for an industrial building for 24 months. The allocation was determined based on several quotations obtained for a garage-type structure warehouse with an estimated built-up area of approximately 2,500 sq ft .The rental rate for this warehouse may be subject to change depending on the rental rates obtained subsequent to our Listing.

(2) Staff salaries for 1 logistics personnel for 24 months.

7.19.2 Purchase machinery and equipment

We plan to purchase machinery and equipment that we plan to install at our Malaysia Factory. The machinery and equipment that we plan to purchase are summarised in the following table:

Main machinery and equipment	Description	Total estimated cost (RM'000)
Purchase of plastic powder manufacture and equipment:		
Extruder	• 1 unit of single screw extruder[1]	630
Grinding mills	• 2 units of grinder[1]	1,010
Forklifts	• 3 units of electric forklifts[1]	400
Weighing and filling machines	• 5 units of automatic weighing and filling machines[1]	540
Sub-total		***2,580***
Purchase of R&D and quality control testing equipment:		
Weather meter	• 1 unit of weather meter[1]	390
Melt flow tester	• 1 unit of melt flow tester[1]	100
Universal testing machine	• 1 unit of universal testing machine[1]	350
Sub-total		***840***
Other expenditure:		
Rotational moulding machine	Refurbishment of existing 1 unit of our used rotational moulding machine[2]	190
Sub-total		***190***
Total		**3,610**

7. BUSINESS OVERVIEW *(Cont'd)*

Notes:

(1) This machinery or equipment will be purchased by Polymer Link Malaysia and installed at our Malaysia Factory.

(2) The roto-moulding machine is installed at our Malaysia Factory and it is used to produce test products R&D purposes.

We plan to purchase the additional plastic powder manufacturing line for the Malaysia Factory as its utilisation rate was 67.4% for FPE 2025. In line with our policy of maintaining additional capacity at each manufacturing facility, we plan to purchase the additional plastic powder manufacturing line to be installed in Phase 1 to support our business strategy of expanding operations in Australia and increasing sales to customers in Poland. In addition, we plan to allocate additional working capital to manufacture plastic powders at our Malaysia Factory for other customers. Any additional orders generated by the successful implementation of these strategies will be manufactured by the Malaysia Factory, which would increase the utilisation rate to above 60.0%. Concurrent with the installation of the additional plastic powder manufacturing line in Phase 1, we moved our storage area for the Malaysia Factory to Phase 2 and the manufacturing activities will be carried out at Phase 1. Please refer to **Section 7.8.1** of this Prospectus for information on our manufacturing capacity policy, **Sections 7.19.1 and 7.19.3** of this Prospectus for further information on these strategies, and **Section 4.6.2(ii)** of this Prospectus for further information on the allocation proceeds from the Public Issue to working capital for our Malaysia operations.

As at the LPD, our Malaysia Factory has plastic powder manufacturing capacity of 1,776 kg per hour, which is equivalent to capacity of 13,466 tonnes per year. The additional plastic powder manufacturing line will have capacity of 500 kg per hour, which is equivalent to 3,791 tonnes per year.

Meanwhile, our Malaysia Factory has the masterbatch manufacturing capacity of 160 kg per hour, which is equivalent to capacity of 1,213 tonnes per year. The additional masterbatch manufacturing line will have capacity of 110 kg per hour, which is equivalent to 834 tonnes per year.

We will purchase all of these new machinery and equipment within 24 months of the Listing. We have allocated approximately RM3.6 million of our IPO proceeds for the purchase of the new machinery and equipment.

7.19.3 Expand sales to customers in Poland

To expand sales to customers in Poland, we plan to appoint a representative in the country and allocate additional working capital to purchase plastic resin to manufacture plastic powder targeted for customers in Poland. For the FYE 2022, FYE 2023, FYE 2024, and FPE 2025, Poland accounted for 5.8%, 3.5%, 3.6%, and 1.7% of our total revenue respectively. Between 1 July 2025 and the LPD, we did not have any revenue from Poland.

We intend to appoint a representative in Poland based on 1 of the following arrangements:

- agency basis where the agent secures sales from customers on our behalf. We will deal with the customer directly, whereby the customer issues purchase orders to us, we issue invoices to the customer, and the customer will pay us directly. We will pay the agent an agreed fee for each sale that they secure; or
- distributor basis where we sell the plastic powder to the distributor. The distributor will issue purchase orders to us, we issue invoices to the distributor, and the distributor pays us directly. The distributor will resell the plastic products to their customers.

The representative (either agency or distributor basis) will assist us to grow our sales in Poland through measures such as the following:

- providing local knowledge and context in terms of language, business practices, regulatory framework, economic conditions and culture;

- assist us in identifying, setting-up, and attending sales meetings with prospective and existing customers in Poland; and
- acting as a local point of contact to handle initial sales inquiries. We will handle any follow-up contact that requires our technical expertise, for example with respect to plastic powder formulations.

As at the LPD, we are in the process of identifying a representative in Poland. Depending on the monthly commitment of volume we may enter into an exclusive agreement with the representative that we appoint. We expect that the cost of appointing a representative in Poland will not be material, and any costs incurred for the appointment of the representative will be funded through internally generated funds, if required.

In addition, in order to expand sales to customers in Poland, we intend to allocate additional working capital of approximately RM4.5 million to purchase plastic resin to manufacture plastic powder targeted for customers in Poland. The amount is arrived at after taking into consideration the average input material prices for the FYE 2024, the forecasted and projected sales to Poland, and our cash cycle for customers in Poland. This additional working capital will be funded from our IPO proceeds, and any further working capital thereafter, is to be funded, where required, via internally generated funds and/or bank borrowings. Please refer to **Section 4.6.2(i)** of this Prospectus for additional information on the allocation of proceeds from the Public Issue to working capital for Poland.

7.20 EMPLOYEES

As at 30 June 2025, we have a total workforce of 142 employees, the breakdown of which is as set out below:

	No. of employees	
Categories	**[(1)]Local employees**	**Foreign employees**
Malaysia operations		
Executive Directors and key senior management[(2)]	5	-
Finance and accounts	3	-
Sales and marketing	5	-
Production/ warehouse/ maintenance	7	[(3)]49
Human resource and administration	5	-
R&D team	7	-
Subtotal	**32**	**49**
India operations		
Key senior management	2	-
Finance and accounts	1	-
Sales and marketing	1	-
Production/ warehouse/ maintenance	15	-
Human resource and administration	4	-
R&D team	5	-
Subtotal	**28**	**-**
Philippines operations		
Finance and accounts	2	-
Sales and marketing	1	-
Production/ warehouse/ maintenance	27	-
Human resource and administration	1	-
Subtotal	**31**	**-**

7. BUSINESS OVERVIEW *(Cont'd)*

Categories	No. of employees	
	(1)Local employees	Foreign employees
Australia operations		
Sales and marketing	2	-
Subtotal	**2**	**-**
Total	**93**	**49**

Notes:

(1) Local employees refer to employees who are nationals in the respective country of operations.

(2) Excluding our Independent Non-Executive Directors.

(3) 17 of whom are contractual employees.

As at the LPD, we have a total workforce of 145 employees, the breakdown of which is as set out below:

Categories	No. of employees	
	(1)Local employees	Foreign employees
Malaysia operations		
Executive Directors and key senior management(2)	5	-
Finance and accounts	4	-
Sales and marketing	5	-
Production/ warehouse/ maintenance	7	(3)49
Human resource and administration	5	-
R&D team	8	-
Subtotal	**34**	**49**
India operations		
Finance and accounts	2	-
Logistics	1	-
Sales and marketing	1	-
Production/ warehouse/ maintenance	16	-
Human resource and administration	4	-
R&D team	5	-
Subtotal	**29**	-
Philippines operations		
Finance and accounts	2	-
Logistics	1	-
Sales and marketing	1	-
Production/ warehouse/ maintenance	26	-
Human resource and administration	1	-
Subtotal	**31**	-
Australia operations		
Sales and marketing	2	-
Subtotal	**2**	**-**
Total	**96**	**49**

7. BUSINESS OVERVIEW *(Cont'd)*

Notes:

(1) Local employees refer to employees who are nationals in the respective country of operations.

(2) Excluding our Independent Non-Executive Directors.

(3) 17 of whom are contractual employees.

As at the LPD, all our foreign employees hold valid employment passes which are renewable periodically.

A summary of our Group's total workforce by jurisdiction as at 30 June 2025 and the LPD are as set out below:

	As at 30 June 2025		As at the LPD	
Categories	**Local employees**	**Foreign employees**	**Local employees**	**Foreign employees**
Malaysia	32	49	34	49
India	28	-	29	-
Philippines	31	-	31	-
Australia	2	-	2	-
USA	-	-	-	-
Total	**93**	**49**	**96**	**49**

None of our Group's employees, whether permanent or contractual, belong to any labour union and we have not experienced any industrial dispute for the Period Under Review and up to LPD.

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7. BUSINESS OVERVIEW *(Cont'd)*

7.21 MAJOR APPROVALS, LICENCES AND PERMITS OBTAINED

Save as disclosed below, there are no other approvals, major licences and permits which our Group is materially dependent on for our business operations as at the LPD:

No.	Company	Approving authority/ issuer	Description of approval/ licence/ permits	Licence/ Permit Reference no.	Date of issuance/ Validity	Major conditions imposed	Status of compliance
	Malaysia						
1.	Polymer Link Malaysia	MITI	Manufacturing licence for the manufacturing of compounded polyethylene Licensed premise: Malaysia Factory	A 024937	29 March 2023[#]/ Valid from 25 January 2023 until terminated [#] Please refer to **Section 7.24.1** of this Prospectus for further details on the manufacturing licence issued by MITI to Polymer Link Malaysia.	1. The sale of the company's shares must be notified to MITI and MIDA.	Noted
						2. The company must train Malaysians to promote the transfer of technology and expertise at all levels of positions.	Complied
						3. Company must have capital investment per employee ("**CIPE**") of at least RM140,000.00.	Complied
						4. Total full-time workforce of the company must comprise at least 80% Malaysians by 31 December 2024. Employment of foreign workers including outsourced workers is subjected to current policies.	To be complied[(1)]
						5. The company must submit information on investment performance and project implementation under the Industrial Co-ordination Act 1975 and the MIDA Act 1965 when required by MIDA.	Complied and noted

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence/ permits	Licence/ Permit Reference no.	Date of issuance/ Validity	Major conditions imposed	Status of compliance
2.	Polymer Link Color & Additives	MITI	Manufacturing licence for the manufacturing of colour masterbatch Licensed premise: Malaysia Factory	A 025067	28 June 2023[#]/ Valid from 12 May 2023 until terminated [#] Please refer to **Section 7.24.1** of this Prospectus for further details on the manufacturing licence issued by MITI to Polymer Link Color & Additives.	1. The sale of the company's shares must be notified to MITI and MIDA.	Noted
						2. The company must train Malaysians to promote the transfer of technology and expertise at all levels of positions.	Complied
						3. Company must have CIPE of at least RM140,000.00.	Complied
						4. Total full-time workforce of the company must comprise at least 80% Malaysians by 31 December 2024. Employment of foreign workers including outsourced workers is subjected to current policies.	Complied
						5. The company must submit information on investment performance and project implementation under the Industrial Co-ordination Act 1975 and the MIDA Act 1965 when required by MIDA.	Complied and noted
3.	Polymer Link Malaysia	Klang Royal City Council	Business premise and signboard licence Licensed premise: Malaysia Factory	032880046795 20223	26 December 2024/ 1 January 2025 to 31 December 2025[(2)]	1. This licence must be renewed three (3) months before its expiration (from 1 October to 31 December of the effective year).	Complied and noted

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence/ permits	Licence/ Permit Reference no.	Date of issuance/ Validity	Major conditions imposed	Status of compliance
4.	Polymer Link Holdings	Klang Royal City Council	Business premise licence Licensed premise: Malaysia Factory	104090051179 20238	26 December 2024/ 1 January 2025 to 31 December 2025[2]	2. This licence must be displayed at all times in a visible place on the licensed premises. 3. Foreign workers are not permitted to serve as cashier in compliance with conditions imposed by the Malaysian Immigration Department. If found in violation, this licence will be immediately revoked. 4. Foreign workers are not permitted to work on the premises without a valid permit from the Malaysian Immigration Department.	
5.	Polymer Link Color & Additives	Klang Royal City Council	Business premise licence Licensed premise: Malaysia Factory	036979048572 20246	26 December 2024/ 1 January 2025 to 31 December 2025[2]		
	India						
6.	Polymer Link India	Office of the Chief Inspector of Factories & Boilers, Union Territory Administration of Dadra & Nagar Haveli and Daman & Diu	Licence to work a factory under the (Indian) Factories Act, 1948	16/PDA/DMN/ OC/KACH/382 /108/2020/01	2 January 2025/ 1 January 2025 to 31 December 2026	1. The occupier is bound to ensure that the following provisions are adhered to: (i) Section 7A of the Factories Act, 1948; and (ii) the health, safety and welfare provisions of the Factories Act, 1948 and the Goa, Daman & Diu Factories Rules, 1985. 2. To ensure that the construction of the India Factory is to be as per the approved plans. 3. A suitable fire hydrant system is to be provided at the India Factory.	Complied and noted

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence/ permits	Licence/ Permit Reference no.	Date of issuance/ Validity	Major conditions imposed	Status of compliance
						4. Additional suitable fire extinguishers to be provided at the India Factory. 5. Necessary approvals under Indian laws to be obtained by Polymer Link India. 6. Test reports of pressure vessels and lifting devices duly authorized by the Office of the Chief Inspector of Factories & Boilers, Union Territory Administration of Dadra & Nagar Haveli and Daman & Diu to be submitted annually. 7. Half-yearly and annual reports under the Factories Act, 1948 to be submitted annually. 8. No hazardous substances to be stored at the India Factory without obtaining appropriate consents. 9. A regular compliance report duly signed by the manager and the occupier of the India Factory to be submitted.	
7.	Polymer Link India	Government of India	Registration certificate under the Central Goods and Services Tax Act, 2017	26AALCP0259 L1Z2	17 August 2020/ Valid from date of issuance until terminated	-	Not applicable

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence/ permits	Licence/ Permit Reference no.	Date of issuance/ Validity	Major conditions imposed	Status of compliance
8.	Polymer Link India	Department of Fire & Emergency Services, Union Territory Administration of Dadra & Nagar Haveli and Daman & Diu	No-objection certificate under the Goa, Daman & Diu Fire Force Act, 1986	DFES/DMN/AREN-NOC/2131/ADFO/2025	15 April 2025/ 4 March 2025 to 3 March 2026[3]	1. All fire safety arrangements shall be maintained periodically and in good working condition at all times. 2. Courtyard all around the building being free from obstruction for fire brigade access. 3. No residential accommodation as well as kitchen should be provided in the industrial building in any circumstances. 4. The trained firefighting staff should be available round the clock. 5. Any compartmentation in addition to the approved plan shall be made only upon obtaining the prior approval from fire department. 6. The eliminate fire hazards, good housekeeping both inside and outside the building shall be strictly maintained by the owner or occupier of the building.	Complied and noted

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence/ permits	Licence/ Permit Reference no.	Date of issuance/ Validity	Major conditions imposed	Status of compliance
						7. It shall be the sole responsibility/ duty of the management/ owner/ occupant to conduct safe evacuation drill/ fire fighting drill periodically in the event of fire and other emergency. 8. The application for renewal shall be submitted 2 months prior to the expiry date.	
9.	Polymer Link India	Ministry of Commerce and Industry, Government of India	Importer-Exporter Code	AALCP0259L	27 February 2020/ Valid from date of issuance until terminated	-	Not applicable
10.	Polymer Link India	Pollution Control Committee, Daman & Diu and Dadra Nagar Haveli ("**PCC**")	Consolidated Consent and Authorization	PCC/DDD/178 8234/G-6897	5 April 2024/ 5 April 2024 to 28 February 2029	1. Any change in personnel, equipment or working conditions as mentioned in the consent form/ order should immediately be intimated to the PCC. 2. Submission of separate application for renewal before 30 days of expiry of validity. 3. Compliance with Water (Prevention and Control of Pollution) Cess Act, 1977, and submission of monthly cess returns.	Complied and noted

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence/ permits	Licence/ Permit Reference no.	Date of issuance/ Validity	Major conditions imposed	Status of compliance
						4. Compliance with notified standards under Environment (Protection) Act, 1986. 5. Green up the surrounding area inside and outside the unit/ factory. 6. Separate application to be made in case of change of process/ installation which is likely to have discharge/ an emission. 7. Submission of authenticate certificate, every 2 years, to the PCC informing that there is no change in products/ process/ production capacity/ hazardous & other wastes generation/ any other installation etc. 8. Submission of Environmental Audit Report annually.	

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence/ permits	Licence/ Permit Reference no.	Date of issuance/ Validity	Major conditions imposed	Status of compliance
11.	Polymer Link India	Dadra and Nagar Haveli and Daman and Diu Pollution Control Committee	Registration Certificate for Importer	IM-19-DAD-10-AALCP0259L-23	19 October 2023/ 19 October 2023 until terminated	1. The importer shall fulfil the Extended Producers Responsibility ("**EPR**") Targets for the year 2023 to 2024 as specified. For the subsequent years, EPR Target would be auto-generated based on the information provided in the annual report, the format of which would be specified by the Central Pollution Control Board and displayed on the EPR Portal. 2. The importer shall provide EPR certificates of the same category of plastic waste only from registered plastic waste processors for fulfilling their EPR obligation. 3. The importer shall not engage in manufacture, stocking, distribution, selling of banned single-used plastic items as listed in the amended PWM Rules. 4. The importer shall ensure compliance with provisions of the Plastic Waste Management Rules, 2016, as amended.	Complied and noted

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence/ permits	Licence/ Permit Reference no.	Date of issuance/ Validity	Major conditions imposed	Status of compliance
	Philippines						
12.	Polymer Link Philippines	Clark Development Corporation ("**CDC**")	Authority to Operate as a Clark Freeport Enterprise	CDC-2022-592	18 October 2022/ 21 November 2022 to 20 November 2025(4)	This certificate shall be revoked, upon written notice by CDC, in case of violation of any of the following: 1. Republic Act ("**RA**") No. 7227, as amended; 2. RA 11534; 3. Executive Order No. 80 of 1993; 4. Lease agreement with CDC; 5. Customs and tax regulations; 6. Subic-Clark Business Registration System; 7. Leasing and subleasing policies; 8. Labor laws, rules and regulations; or 9. Memorandum Circular No. OP 22-08-24 dated 12 August 2022.	Noted
13.	Polymer Link Philippines	CDC Building and Facilities Permits Division	Certificate of Annual Inspection	CAI2024-0015	3 February 2025/ 3 February 2025 to 5 February 2026(5)	1. The owner/ lessee shall properly maintain the building to preserve its architectural well-being, structural stability, electrical safety and fire protection facilities. 2. The building shall not be used for purposes other than its approved use. 3. No alteration/ addition/ repair/ new electrical/ mechanical installations shall be made thereon without a permit therefore.	Complied and noted

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence/ permits	Licence/ Permit Reference no.	Date of issuance/ Validity	Major conditions imposed	Status of compliance
						4. A certified copy of this certificate shall be posted within the building.	
14.	Polymer Link Philippines	Department of Environment and Natural Resources	Permit to Operate Air Pollution Source and Control Installations	PTO-OL-R03-2022-02926-R	11 May 2022/ 11 May 2022 to 11 May 2027	1. This permit shall be posted in a conspicuous location at the premises, and shall be adequately framed or otherwise protected against damage. 2. Polymer Link Philippines shall ensure that the emissions comply with the National Ambient Air Quality Standards and submit its quarterly Self-Monitoring Reports. 3. Polymer Link Philippines shall not make any alterations or modifications to operations, activities, installations, process, plant or equipment at the premise that might substantially change the nature or quantity of the associated emission without obtaining the approval of the Environmental Management Bureau, including obtaining any necessary Permit to Operate.	Complied and noted
15.	Polymer Link Philippines	Bureau of Customs ("**BOC**")	Certificate of Registration (Import)	IM0007451334	2 December 2024/ 2 December 2024 to 2 December 2025[6]	-	Not applicable

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Company	Approving authority/ issuer	Description of approval/ licence/ permits	Licence/ Permit Reference no.	Date of issuance/ Validity	Major conditions imposed	Status of compliance
16.	Maqqo Philippines	Office of the Building Official	Certificate of Annual Inspection	25-0125-AI	17 January 2025 / 17 January 2025 to 16 January 2026[5]	1. The owner/ lessee shall properly maintain the building/ structure to enhance architectural well-being, structural stability, electrical, mechanical sanitation, plumbing, electronics, interior design and fire protective properties. 2. The building shall not be used for purposes other than its approved use. 3. No alteration/ addition/ repair/ new electrical/ electronics and/or mechanical / plumbing / sanitary installations shall be made thereon without a permit therefore. 4. A certified copy of this certificate shall be posted within the building.	Complied and noted
17.	Maqqo Philippines	BOC	Certificate of Registration (Import)	IM0008743517	5 August 2025/ 5 August 2025 to 5 August 2026[6]	-	Not applicable
18.	Maqqo Philippines	BOC	Certificate of Registration (Export)	EX0001174274	2 September 2025/ 2 September 2025 to 2 September 2026[7]	-	Not applicable

7. BUSINESS OVERVIEW *(Cont'd)*

Notes:

(1) Pursuant to the press release dated 16 December 2024 ("**Press Release**"), MITI has announced the extension of time to comply with the 80.0% Malaysian workforce requirement for the manufacturing sector until the full implementation of the Multi-Tier Levy Mechanism, which is expected to be implemented in 2026.

As at the LPD, the total full-time workforce of Polymer Link Malaysia comprises 24 Malaysians, representing 38.1% of its total workforce of 63 employees. In the event Polymer Link Malaysia is unable to comply with 80.0% Malaysian workforce requirement within the stipulated timeframe and an extension of time is not granted by MITI to comply with such requirement, MITI may take action by issuing warnings, imposing penalties or additional conditions or restrictions, suspending and/or revoking the licence for any breach or non-compliance of the condition.

Meanwhile, our Group has published advertisements online to recruit local operational staff in its effort to comply with such requirement.

(2) Subsequent to the LPD, our Group has renewed the business premise and/or signboard licences in respect of our Malaysia Factory, the details of which are as follows:

Company	Date of issuance/ Validity
Polymer Link Malaysia	13 October 2025/ 13 October 2025 to 31 December 2026
Polymer Link Holdings	13 October 2025/ 1 January 2026 to 31 December 2026
Polymer Link Color & Additives	13 October 2025/ 13 October 2025 to 31 December 2026

(3) Our Group will submit the application for renewal 2 months prior to the expiry date in accordance with the condition imposed.

(4) Our Group had submitted the application for renewal and is currently pending approval and issuance of the renewed certificate which is expected to be obtained by November 2025.

(5) As there is no renewal term stipulated for such certificate, our Group will submit the application for renewal 30 days prior to the expiry date based on our past practice and experience to ensure timely renewal.

(6) Our Group had submitted the application for renewal within 30 days, but no later than 7 days prior to the expiry date, in accordance with the circular issued by the BOC in respect of the Certificate of Registration (Import).

(7) Our Group will submit the application for renewal 60 days prior to the expiry date in accordance with the customs memorandum order issued by the BOC in respect of the Certificate of Registration (Export).

7. BUSINESS OVERVIEW *(Cont'd)*

As at the LPD, our Group has obtained all the requisite approvals, licenses and permits for our business operations and in the past, our Group has not faced any issues in relation to the renewal of our approvals, licences and permits.

7.22 INTELLECTUAL PROPERTY RIGHTS

7.22.1 Trademarks

As at the LPD, our Group holds the following trademarks:

No.	Trademark	Registered owner	Issuing authority	Trademark number	Class/ Description	Status/ Validity period
1.	Hyperene	Polymer Link Malaysia	MyIPO	TM2022007654	1/ Polymer resins, unprocessed; plastics, unprocessed; polymer compounds for use in manufacture; synthetic resins, unprocessed; plastic adhesives for industrial purposes; polyamide resins, unprocessed. 17/ Plastic substances, semi-processed; plastics and resins in extruded form for use in manufacture; plastic materials, semi finished; mica, raw; mica, unprocessed; insulating materials; elastomeric polymers in the form of blocks for use in manufacture.	Registered/ Valid from 24 March 2022 to 24 March 2032
2.	MaqFlo PREMIUM PERFORMANCE LUBRICANT	Polymer Link Engineering	MyIPO	TM2019019234	4/ Industrial oils, greases, industrial wax and lubricants; All included in class 04.	Registered/ Valid from 29 May 2019 to 29 May 2029

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Trademark	Registered owner	Issuing authority	Trademark number	Class/ Description	Status/ Validity period
3.	**POLYMERLINK**	Polymer Link Australia	IP Australia	2396899	1/ Polymer based compounds for use in manufacture; polymer particles; polymer resins, unprocessed; precursors for polymer materials; stabilizers for plastic polymers; polyethylene; polyethylene resins (unprocessed); polyethylene powder; polymer resins, unprocessed; polymer solutions; chemical additives for polymers; expanded unsaturated polyester resins (unprocessed); polymer materials in the manufacture of polyethylene water tanks; polymers for industrial use; precursors for polymer materials; chemical preparations for the manufacture of polyethylene based products; chemical preparations for the manufacture of polyethylene water tanks; raw materials for rotational moulds in the form of resins. 17/ Polyethylene resin (semi-finished); natural polyethylene powder being granule powder; colour compounded polyethylene powder being semi-processed polyethylene resins; colour compounded polyethylene granule being semi-processed polyethylene resins; synthetic resin plastics (semi-processed).	Registered/ Valid from 17 October 2023 to 17 October 2033
4.	PolymerLink	Polymer Link Australia	IP Australia	2396900		

For avoidance of doubt, in the event that the trademarks are not successfully renewed, our business and profitability will not be materially affected as our Group's business and profitability are not materially dependent on the trademarks set out above.

7. BUSINESS OVERVIEW *(Cont'd)*

7.23 MATERIAL PROPERTIES

7.23.1 Properties owned

The details of the material properties owned by our Group as at the LPD are as follows:

No.	Registered owner/ Postal address or Location/ Title details	Description of property/ Existing use	Approx. age of building	Land area/ Built-up area (sq ft)	Date of CFO/CCC or equivalent	Category of land use/ Express condition/ Tenure	Restriction in interest/ Material encumbrances	Audited NBV as at 30 June 2025 (RM'000)
1.	**Registered owner** Polymer Link Malaysia **Postal address** Lot 99045, Jalan Tun Perak 1/KU16, Perdana Industrial Park, 42000 Pelabuhan Klang, Selangor, Malaysia **Title details** PN 109121, Lot 99045, Mukim Kapar, Daerah Klang, Negeri Selangor, Malaysia	**Description of property** Phase 1: A single-storey factory and a double-storey office building Phase 2: A single-storey warehouse and a double-storey office building(1) **Existing use** Phase 1: Head office, manufacturing facility, research and development centre and warehouse Phase 2: Warehouse and office(1)	2 years	**Land area** 214,998.4 **Built-up area** Phase 1: 64,253.0 Phase 2: 64,777.2	11 March 2022 (Phase 1) and 22 May 2025 (Phase 2)	**Category of land use** Industrial **Express condition** Industrial **Tenure** Leasehold of 99 years expiring on 28 March 2095	**Restriction in interest** The alienated land cannot be transferred, leased, or charged without consent from state authority **Material encumbrances** Charged to Public Bank Berhad on 18 September 2019	51,955

7. BUSINESS OVERVIEW *(Cont'd)*

Note:

(1) As at the LPD, we have moved our storage area for the Malaysia Factory to the warehouse in Phase 2 and are in the midst of carrying out renovation works for the office area in Phase 2. An application for the fire certificate will subsequently be made upon completion of the renovation works which are expected to be completed by the 1st quarter of 2026.

7.23.2 Rented properties

The details of the properties rented by our Group as at the LPD are set out as follows:

No.	Registered owner(s)	Tenant	Postal address	Description of property/ Existing use	Approximate age of building/ Date of CFO/CCC	Tenanted built-up area (sq ft)	Tenure of tenancy/ Option to renew	Rental per annum
1.	Alpharise Sdn Bhd	Polymer Link Malaysia	Lot 55, Jalan Tun Seri Lanang 1B, Perdana Industrial Park, 42000 Port Klang, Selangor, Malaysia	**Description of property** 4-storey shop office **Existing use** Workers' accommodation(1)	**Approximate age of building** 13 years **Date of CFO/CCC** CCC dated 10 August 2011	6,000	**Tenure of tenancy** 1 March 2024 to 28 February 2027 **Option to renew** 3 years	RM36,000.00
2.	Alpharise Sdn Bhd	Polymer Link Malaysia	Lot 57, Jalan Tun Seri Lanang 1B, Perdana Industrial Park, 42000 Port Klang, Selangor, Malaysia	**Description of property** 4-storey shop office **Existing use** Vacant(2)	**Approximate age of building** 13 years **Date of CFO/CCC** CCC dated 10 August 2011	6,000	**Tenure of tenancy** 1 March 2024 to 28 February 2027 **Option to renew** 3 years	RM36,000.00

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Registered owner(s)	Tenant	Postal address	Description of property/ Existing use	Approximate age of building/ Date of CFO/CCC	Tenanted built-up area (sq ft)	Tenure of tenancy/ Option to renew	Rental per annum
3.	Sailendra Singh Rajput	Polymer Link India	Survey No. 382, Zari Causeway Road, Village Kachigam, Nani Daman, Daman, 396210, India	**Description of property** A single-storey factory with a laboratory and a double-storey office building **Existing use** Office and manufacturing facility	**Approximate age of building** 4 years **Date of Occupancy Certificate** 1 April 2021	20,481.6	**Tenure of tenancy** 1 May 2021 to 1 May 2030 **Option to renew** No option to renew(3)	INR473,000 (equivalent to approximately RM22,000)
4.	Venkitaraman Thirumala Mahadevan	Polymer Link India	Office No. 602, Sai Indu Tower, 602, 6th floor, LBS Road, Near Asian paints, Bhandup West, Mumbai, Maharashtra, 400078, India	**Description of property** 6th floor of a building which comprises 2 basements, ground floor, mezzanine floor and 14 upper floors **Existing use** Office	**Approximate age of building** 7 years **Date of Occupancy Certificate** 18 December 2017	503	**Tenure of tenancy** 1 November 2023 to 31 October 2028 **Option to renew** No option to renew(3)	INR53,750 (equivalent to approximately RM2,550)

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Registered owner(s)	Tenant	Postal address	Description of property/ Existing use	Approximate age of building/ Date of CFO/CCC	Tenanted built-up area (sq ft)	Tenure of tenancy/ Option to renew	Rental per annum
5.	Clark International Airport Corporation	Polymer Link Philippines	Bldg. N12347 Clark Civil, Aviation Complex, IE-5 SCTEX Clark-South Interchange Road, Clark Freeport Zone, Mabalacat, 2023 Pampanga, Philippines	**Description of property** A single-storey factory and a double-storey office building **Existing use** Office and manufacturing facility	**Approximate age of building** 7 years **Date of Occupancy Certificate** 16 February 2017	34,100	**Tenure of tenancy** 25 April 2016 to 24 April 2041 **Option to renew** No option to renew(3)	USD66,807 (equivalent to approximately RM0.3 million)
6.	Linwood Realty, Inc.	Maqqo Philippines	Warehouse No. 5, LRI Warehouse, Bypass Road, Guyong, Sta. Maria, Bulacan, Philippines	**Description of property** A single-storey warehouse **Existing use** Warehouse	**Approximate age of building** 10 years **Date of Occupancy Certificate** 20 August 2019	1,000	**Tenure of tenancy** 25 November 2024 to 24 November 2025 **Option to renew** No option to renew(3)	PHP 1,583,340 (equivalent to approximately RM0.1 million)

7. BUSINESS OVERVIEW *(Cont'd)*

Notes:

(1) Our Group obtained the CFA on 2 April 2024 which is valid until 2 April 2027. Please refer to **Section 7.24.1(v)** of this Prospectus for further details on the requirement for CFA.

(2) This property is intended to be used as workers' accommodation.

(3) Notwithstanding that there is no option to renew, our Group has not faced any issues or foresee any issues in renewing the tenancy agreements. Upon expiry of the tenancy agreements, our Group plans to renew the said tenancy agreements. In the unlikely event that any of the tenancy agreements are not renewed, our Group is of the view that our business operations and financial position would not be materially and adversely affected as we are able to use our existing manufacturing facilities to carry out the manufacturing activities without any disruption or delay while we identify alternative premises to be used as offices, manufacturing facilities and warehouses, as the case may be.

As at the LPD and save for the fire certificate in respect of our Malaysia Factory as disclosed in **Section 7.24.1(vi)** of this Prospectus, the properties owned and rented by our Group are not in breach of any land use conditions and/or non-compliance with current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations.

7.24 GOVERNING LAWS AND REGULATIONS

Our business is regulated by, and in some instances required to be licensed under, specific laws. The relevant laws and regulations governing our Group are summarised below. The following summary does not purport to be an exhaustive description of all laws and regulations governing our Group.

7.24.1 Malaysia

(i) Industrial Co-ordination Act 1975 ("ICA")

Pursuant to the ICA, no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity. Failure to comply is an offence punishable, upon conviction, with a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and to a further fine not exceeding RM1,000 for every day during which such default continues.

"Manufacturing activity" is defined under the ICA 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 MITI for a manufacturing licence.

Polymer Link Malaysia's shareholders' fund had exceeded RM2.5 million in December 2016. However, due to misinterpretation of the requirement to apply for manufacturing licence that it is based on the company's share capital rather than shareholders' fund, Polymer Link Malaysia had in December 2016 and November 2017 made the following applications to MIDA respectively:

(a) application for confirmation letter for a company exempted from manufacturing licence; and

(b) application for manufacturing licence.

7. BUSINESS OVERVIEW *(Cont'd)*

As a result, MIDA had, vide letter dated 5 January 2017 and 13 November 2017, stated that Polymer Link Malaysia was exempted from the requirement to obtain a manufacturing licence under the ICA.

Upon being advised by the DDWG, our Group had on 11 January 2023 submitted the application for manufacturing licence and had subsequently obtained the manufacturing licence from MITI on 29 March 2023 with effect from 25 January 2023.

The shareholders' funds of Polymer Link Color & Additives have exceeded RM2.5 million in 2022. Polymer Link Color & Additives submitted the application for manufacturing licence to MIDA on 20 March 2023 and had subsequently obtained the manufacturing licence from MITI on 28 June 2023 with effect from 12 May 2023.

As at the LPD, both Polymer Link Malaysia and Polymer Link Color & Additives have not received any notices, penalties or compounds from MITI for operating their manufacturing activities without a valid manufacturing licence prior to the issuance of their manufacturing licences. Our Board is of the view that the risk of being charged, convicted, penalised and/or compounded retrospectively under the abovementioned provisions of the ICA is low as MITI has issued the manufacturing licences to Polymer Link Malaysia and Polymer Link Color & Additives.

We are of the view that the said past non-compliance does not pose any material adverse impact to our Group's business operations and financial condition in view that it has been rectified as at the LPD and both Polymer Link Malaysia and Polymer Link Color & Additives have been granted valid manufacturing licences by MITI. As such, it is unlikely for our Group to be subject to any repercussions/ retrospective sanctions from MITI or MIDA as a result of operating without a valid manufacturing licences.

Please refer to **Section 7.21** of this Prospectus for further details of the abovementioned manufacturing licences issued by MITI.

(ii) Street, Drainage and Building Act 1974 ("SDBA")

Pursuant to Section 70(1) of the SDBA, no person shall erect any building without the prior written permission of the local authority. Any person who fails to comply with such provision commits an offence and shall upon conviction, be liable to a fine not exceeding RM50,000 or imprisonment for a term not exceeding 3 years or both and a further fine of RM1,000 for every day during which the offence is continued after conviction.

Further, Section 70(27) of the SDBA provides that no person shall occupy or permit to be occupied any building or any part thereof without a CCC. Any person who fails to comply with such provision commits an offence and shall upon conviction, be liable to a fine not exceeding RM250,000 or imprisonment for a term not exceeding 10 years or both.

As at the LPD, all the properties owned and rented which our Group is currently occupying have been issued with the relevant CCCs.

However, our Group had previously occupied the Malaysia Factory (Phase 1) prior to issuance of the CCC.

Our Group commenced operation at our Former Malaysia Factory in 2014.

In June 2019, our Group entered into the sale and purchase agreement with Benton Corporation Sdn Bhd, a non-related third party, for the acquisition of the land on which our Malaysia Factory is currently erected on for the purposes of our expansion plan, which was completed in September 2019.

7. BUSINESS OVERVIEW *(Cont'd)*

The construction of Phase 1 was completed, and a certificate of practical completion was issued in July 2021. Prior to the expiry of the tenancy at the Former Malaysia Factory and pending the issuance of the CCC, our Group sought to extend the tenancy term to take into consideration the time required for issuance of the CCC but received no response from the landlord. Following the expiry of the tenancy at the Former Malaysia Factory and pending issuance of the CCC, our Group had to move into our Malaysia Factory (Phase 1) in September 2021 to ensure operations where not disrupted.

Subsequently, our Group proceeded to apply for the relevant approvals from various authorities which are mandatory for issuance of the CCC. The timeline in obtaining the relevant approvals up to the CCC are as follows:

10 September 2021	:	Letter of no objection from the Fire and Rescue Department of Malaysia
10 September 2021	:	Letter of no objection from Klang Municipal Council (now known as Klang Royal City Council)
5 October 2021	:	Confirmation from the certifying agency, Indah Water Konsortium Sdn Bhd, for completion of sewage work
1 March 2022	:	Letter of no objection from the Malaysian Communications and Multimedia Commission (MCMC)
8 March 2022	:	Letter of no objection from Tenaga Nasional Berhad (TNB)
11 March 2022	:	Issuance of CCC

As at the LPD, our Group has not experienced any material adverse impact on our business operations nor received any notices, penalties or compounds from the relevant authorities in respect of such past non-compliance.

In view that our Group has obtained the CCC in respect of Phase 1, our Board is of the view that the risk of being charged, convicted, penalised and/or compounded retrospectively under the SDBA is low.

We are of the view that the said past non-compliance does not pose any material adverse impact to our Group's business operations and financial condition in view that it has been rectified as at the LPD and our Group has obtained the CCC in March 2022.

(iii) Occupational Safety and Health Act 1994 ("OSHA") (as amended by the Occupational Safety and Health (Amendment) Act 2022 which came into force from 1 June 2024)

The OSHA provides provisions for securing the safety, health and welfare of persons at work, for protecting others against risk to safety or health in connection with the activities of persons at work and for matters connected therewith and applies throughout Malaysia to the industries specified in the OSHA. The OSHA applies to our Group as we are in the manufacturing industry.

Under the OSHA, employers must, so far as is practicable, ensure the safety, health and welfare of all the employees at work by (including but without limitation):

(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;

7. BUSINESS OVERVIEW *(Cont'd)*

(c) the provision of such information, instruction, training and supervision as is necessary to ensure the safety and health at work of his employees; and

(d) the provision and maintenance of a place of work and working environment for his employees that are safe, without risks to health, and adequate facilities for the welfare of employees at work.

Section 16 of the OSHA provides that it is the duty of every employer to prepare and as often as may be appropriate revise a written statement of his general policy in relation to the safety and health at work of his employees and the organisation and arrangements for the time being in force for carrying out that policy, and to bring the statement and any revision of it to the notice of all of his employees. Employers who contravene this provision shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding 2 years or to both.

Section 27C of the OSHA provides that no person shall install or cause to be installed any prescribed plant unless the person ensures that the plant has fulfilled all the requirements prescribed by the Minister of Human Resources and has obtained the written approval from the Director General of DOSH. Section 27C(4) of the OSHA 1994 states that a person who contravenes this provision shall be guilty of an offence and shall on conviction be liable to a fine not exceeding RM100,000.00 or to imprisonment for a term not exceeding 1 year or to both.

Section 27D of the OSHA provides that no person shall operate or cause or permit to be operated any prescribed plant for which a certificate of fitness is required unless that plant has a certificate of fitness issued by an officer or a licensed person. Section 27D(5) of the OSHA states that a person who contravenes this provision shall on conviction be liable to a fine not exceeding RM100,000.00 or to imprisonment for a term not exceeding 1 year or to both.

In addition, Section 30 of the OSHA provides that every employer shall establish a safety and health committee at the place of work if there are 40 or more persons employed at the place of work or the Director General of DOSH directs the establishment of such a committee at the place of work. A person who contravenes this provision shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both.

The OSHA also requires a company to notify the nearest occupational safety and health office of any accident, dangerous occurrence, occupational poisoning, or occupational disease which has occurred or is likely to occur at the place of work.

As at the LPD, our Group complies with the abovementioned provisions of the OSHA as we have implemented a general safety and health policy, established a safety and health committee to monitor the safety and health related matters and holds valid certificates of fitness for the prescribed plant for which a certificate of fitness is required.

Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 ("**USECHH**")

The USECHH is a subsidiary legislation pursuant to the OSHA which prescribes the standards in relation to the use of, including standards of exposure to, any physical, biological, chemical or psychological hazard. Under the USECHH, an employer shall not carry out any work which may expose or is likely to expose any employee to any chemical hazardous to health unless he has made a written assessment of the risk created by the chemical to the health of the employee.

7. BUSINESS OVERVIEW *(Cont'd)*

Pursuant to the OSHA, a person who by any act or omission contravenes any provision of the OSHA or any regulation made thereunder, shall be guilty of an offence, and if no penalty is expressly provided shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both, and in the case of continuing offence, to a fine not exceeding RM2,000 for every day or part of a day during which the offence continues after conviction.

As at LPD, our Group complies with the USECHH as we have conducted written assessment of the risk created by the chemical used in our Malaysia Factory.

(iv) Environmental Quality Act 1974 ("EQA"), Environmental Quality (Clean Air) Regulations 2014 ("EQCAR") and Environmental Quality (Scheduled Wastes) Regulations 2005 ("EQSWR")

The EQA prohibits the pollution of the atmosphere, noise pollution, pollution of the soil, pollution of inland waters, discharge of oil and discharge of wastes into Malaysian waters as well as open burning.

The EQCAR is a subsidiary legislation pursuant to the EQA which regulates the emission of air pollutants to the atmosphere and specifies the requirements for an air pollution control system for every premises to which the EQCAR applies, including any premises used for any industrial or trade purposes, or on which matter is burnt in connection with any industrial or trade purposes and any other premises or process that discharges or is capable of discharging air pollutants into the open air. Any person who contravenes or fails to comply with any provisions of the EQCAR shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 2 years or to both.

The EQSWR is a subsidiary legislation pursuant to the EQA which imposes on the waste generator of the premises an obligation to record, store, label, treat and dispose scheduled waste in accordance with the EQSWR. Any person who contravenes the EQSWR commits an offence and may be subject to a compound not exceeding RM2,000.

As at the LPD, our Group complies with the EQCAR as we have engaged professional to conduct the periodic chimney emission monitoring where it was certified that our emission of gaseous substances at our Malaysia Factory was within the permissible limits under the EQCAR as well as the environmental air quality monitoring where it was certified that the air samples generated from the surrounding areas at the selected points of our Malaysia Factory comply with the Malaysia Ambient Air Quality Standard, 2020.

Our Group also complies with the EQSWR as we have appointed licensed service providers to collect and transport scheduled wastes from our Malaysia Factory, and dispose, treat and carry out other waste management related services at premises of the licensed service provider.

(v) Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSA") and Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 ("EMSR")

Pursuant to the EMSA and the EMSR, every employer or centralised accommodation provider shall ensure that every accommodation provided for employees complies with the minimum standards prescribed thereunder, including but not limited to the minimum space and basic amenities requirements.

Employers and centralised accommodation providers must also ensure that the accommodation provided is fit for human habitation in accordance with the relevant written laws, preventive measures are taken to ensure employees' safety and well-being and that employees receive necessary medical assistance. In addition, no accommodation shall be provided to an employee unless certified with a Certificate for Accommodation ("**CFA**").

7. BUSINESS OVERVIEW *(Cont'd)*

Employers who fail to obtain a CFA or fail to ensure the employee accommodation is fit for human habitation in accordance with the EMSA commit an offence and shall, on conviction, be liable to a fine not exceeding RM50,000. Employers who contravene any other provision of the EMSA or any regulation made thereunder or fails to carry out any order made by the Director General of Labour, commit an offence, and if no penalty is expressly provided for the offence shall, on conviction, be liable to a fine not exceeding RM50,000 and to a further fine not exceeding RM1,000 a day for each day during which the offence continues.

As at the LPD, Polymer Link Malaysia is renting a property located at Lot 55, Jalan Tun Seri Lanang 1B, Perdana Industrial Park, 42000 Port Klang, Selangor which is currently occupied by our foreign workers, further details of which are set out in **Section 7.23.2** of this Prospectus.

Polymer Link Malaysia had provided accommodation to our foreign workers without a CFA from 1 June 2020, being the date that the EMSA came into effect. Our Group had subsequently applied and obtained the CFA on 2 April 2024 which is valid from 2 April 2024 to 2 April 2027.

As at the LPD, our Group has not received any notices, penalties or compounds from the relevant authorities in respect of such past non-compliance. Our Board is of the view that the risk of being charged, convicted, penalised and/or compounded retrospectively under the abovementioned provisions of the EMSA or EMSR is low as our workers' accommodation has been issued with a CFA and complies with the necessary requirements of the EMSA and its regulations.

We are of the view that the said past non-compliance does not pose any material adverse impact to our Group's business operations and financial condition in view that it has been rectified as at the LPD and Polymer Link Malaysia had obtained the CFA in April 2024.

(vi) Fire Services Act 1988 ("FSA")

The FSA provides for the effective and efficient functioning of the Fire and Rescue Department of Malaysia ("**BOMBA**"), for the protection of persons and property from fire risks or emergencies and for purposes connected therewith.

Pursuant to Section 28 of the FSA, every designated premises shall require a fire certificate which shall be renewable annually. The premises of which the use, size and location as set out in the schedule of the Fire Services (Designated Premises) Order 1998 shall be designated premises for the purpose of issuance of a fire certificate under the FSA. Such designated premises include:

Offices	:	30 metres and above in height or 10,000 square metres and over (total floor area)	
Hostel and dormitories	:	(i)	Open corridor – 10 storeys and above or 5,000 square metres and over (total floor area)
		(ii)	Other design – 6 storeys and above or 3,000 square metres and over (total floor area)
Factories	:	(i)	Single storey – 2,000 square metres and over (total floor area) where the automatic sprinkler systems are installed
		(ii)	2 storeys and above – 2,000 square metres and over (total floor area) where the automatic sprinkler systems are installed
		(iii)	Special structure – hazardous processes

7. BUSINESS OVERVIEW *(Cont'd)*

Storage and general	:	1,000 square metres and over (total floor area) or 7.000 cubic metres and over, where the automatic sprinkler systems are installed

Under the FSA, where there is no fire certificate in force in respect of any designated premises, the owner of the premises shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 5 years or to both.

Our Malaysia Factory (Phase 1) is a designated premise pursuant to the Fire Services (Designated Premises) Order 1998. However, our Group did not obtain the fire certificate until March 2025.

Upon obtaining the CCC for Phase 1 in March 2022, our Group was carrying out additional works which include interior fit-outs as well as mechanical and electrical adjustments to suit our operational needs and therefore did not apply for the fire certificate immediately which resulted in a non-compliance. As these modifications require further assessments for fire safety compliance, we have engaged professional consultant and engineer to review our fire safety systems, conduct internal audits, and prepare documentation required for the fire certificate application which was completed in June 2023. The costs of engaging the consultant and engineer are borne by our main contractor.

Upon completion of the internal audits and preparation of the application documents, our Group submitted the application for the fire certificate to BOMBA on 23 June 2023. Pursuant thereto, BOMBA had conducted an inspection at our Malaysia Factory on 6 September 2023 and subsequently issued a letter dated 8 September 2023 together with the notice of requirements to be complied with ("**Notice of Requirements for Compliance**"). Pursuant to the Notice of Requirements for Compliance, our Group is required to comply with certain requirements within 360 days from the date issuance of the said notice (i.e. by 27 February 2025) which include, among others, to obtain the approval for the amended architectural as well as the mechanical and electrical (M&E) plans from BOMBA.

Our Group has obtained approvals for the amended architectural as well as the mechanical and electrical (M&E) plans on 17 December 2024 and 3 March 2025 respectively from BOMBA.

On 28 February 2025, our Group submitted a letter to BOMBA to request for further inspection by BOMBA, which was subsequently conducted on 19 March 2025. Thereafter, BOMBA has issued the fire certificate to our Group on 20 March 2025 which is valid from 19 March 2025 to 18 March 2026.

As at the LPD, our Group has not experienced any material adverse impact on our business operations nor has our Group been imposed with any notices, penalties or compounds by the relevant authorities in respect of such past non-compliance.

We are of the view that the said past non-compliance will not result in a material adverse impact on the overall business operations and/or financial condition of our Group in view that it has been rectified and the fire certificate has been issued to our Group without any penalty imposed.

(vii) Local Government Act 1976 ("LGA")

The LGA empowers every local authority to grant licence or permit for any trade, occupation or premise through by-laws. Every licence or permit granted shall be subject to such conditions and restrictions as the local authority may think fit and shall be revocable by the local authority at any time without assigning any reason therefor. As our business is carried out in Selangor, we come under the jurisdiction of the Klang Royal City Council (formerly known as Klang Municipal Council).

7. BUSINESS OVERVIEW *(Cont'd)*

The relevant by-laws governing the conduct of our business are as follows:

(a) Licensing of Trades, Businesses, and Industries (Klang Municipal Council) By-Laws 2007 ("Klang By-Laws")

The Klang By-Laws provides that no person shall operate any activity of trade, business and industry or use any place or premise in the local area of the council for any activity of trade, business and industry without a licence issued by the licensing authority. Any person who contravenes any provision of the Klang By-Laws commits an offence and shall, on conviction be liable to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 1 year or to both, and in the case of a continuing offence to a fine not exceeding RM200 for each day during which such offence is continued after conviction.

(b) Advertisement (Klang Municipal Council) By-Laws 2007 ("Klang Advertisement By-Laws"):

The Klang Advertisement By-Laws provides that no person shall exhibit any advertisement without a licence issued by the licencing authority. Any person who contravenes any of the provisions of the Klang Advertisement By-Laws shall be guilty of an offence and shall, on conviction be liable to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 1 year or to both.

As at the LPD, our Group has obtained the business premise and signboard licences, where relevant, for all our premises.

(viii) Customs Act 1967 ("Customs Act"), Customs (Prohibition of Exports) Order 2017 ("2017 Customs Order") and Customs (Prohibition of Exports) Order 2023 ("2023 Customs Order") (the 2017 Customs Order and 2023 Customs Order are collectively referred to as the "Customs Orders")

The Customs Act is an Act regulating all customs related matters and the Customs Orders are enacted by the Ministry of Finance pursuant to the powers conferred under Section 31(1) of the Customs Act.

Pursuant to the Customs Act and the Customs Orders, save for an export licence being issued by (i) the Director General; (ii) proper officer of customs appointed by the Director General; or (iii) the MITI, and subject to such conditions specified in the export licence, the exportation of all goods to Israel is prohibited.

Whilst the sale of plastic powder to Israel is not prohibited under the relevant laws and regulations of the Philippines, Polymer Link Malaysia had on behalf of Polymer Link Philippines, manufactured and shipped polyethylene powder to their customers in Israel ("**Customers**"), which on a technicality, resulted in a breach by Polymer Link Malaysia of the Customs Act and Customs Orders. This had been part of the internal arrangement between Polymer Link Malaysia and Polymer Link Philippines to enhance overall business efficiency and to optimise operational costs. For the avoidance of doubt, there are similar arrangements in place, whereby Polymer Link Malaysia manufactures polymer powder for other customers of Polymer Link Philippines.

In March 2024, our Group had voluntarily furnished to the Royal Malaysian Customs Department ("**RMCD**") details on all shipments made by Polymer Link Malaysia to the Customers. Pursuant thereto, the RMCD had on 21 June 2024 issued a compound to Polymer Link Malaysia amounting to RM75,000. Polymer Link Malaysia had, on even date, settled payment of the said compound.

Based on Section 131(4) of the Customs Act, where an offence has been compounded, no prosecution shall after that be instituted in respect of the offence against the person to whom the offer to compound was made.

7. BUSINESS OVERVIEW *(Cont'd)*

As at the LPD, our Group has not experienced any material adverse impact on our business operations nor has our Group been imposed with any further notices, penalties or compounds by any relevant authorities.

We are of the view that the said past non-compliance does not pose any material adverse impact to our Group's business operations and financial condition in view that it has been rectified as at the LPD.

Further, notwithstanding that there is no such prohibition under the relevant laws and regulations in the Philippines, in which Polymer Link Philippines is incorporated in, our Group has ceased all dealings and/or transactions with the Customers since October 2023. Notwithstanding that revenue from the Customers are on a rise from FYE 2022 to FYE 2023, beginning October 2023 (FYE 2024), our Group has decided the following:

(a) Polymer Link Philippines or any other existing or future foreign subsidiaries of our Group to cease all dealings and/or transactions with the customers in Israel and shall, moving forward, not have any dealings and/or transactions with any specified person, for as long as the same is prohibited under the laws of Malaysia, notwithstanding that there is no such prohibition under the relevant laws and regulations in the respective countries in which such subsidiaries are incorporated in; and

(b) Polymer Link Malaysia or any other Malaysian subsidiaries of our Group will continually not engage in any dealings and/or transactions with any specified person, for as long as the same is prohibited under the laws of Malaysia.

(ix) Income Tax Act 1967 ("ITA")

Pursuant to Section 109B(2) of the ITA, where any person (in this section referred to as "**the payer**") is liable to make payments to a non-resident –

(i) for services rendered by the non-resident person or his employee in connection with the use of property or rights belonging to, or the installation or operation of any plant, machinery or other apparatus purchased from, such non-resident;

(ii) for any advice given, or assistance or services rendered in connection with the management or administration of any scientific, industrial or commercial undertaking, venture, project or scheme;

(iii) for rent or other payments made under any agreement or arrangement for the use of any moveable property,

which is deemed to be derived from Malaysia, he shall, upon paying or crediting the payments, deduct therefrom tax at the rate applicable to such payments, and (whether or not that tax is so deducted) shall within one (1) month after paying or crediting such payment, render an account and pay the amount of that tax to the Director General of Inland Revenue ("**Director General of IRB**") provided that the Director General of IRB may under special circumstances allow extension of time for tax deducted to be paid over.

There was a late payment of withholding tax by Polymer Link Malaysia for the years of assessment 2020 to 2025. Polymer Link Malaysia has settled all withholding tax amounting to RM4,453.24 and the 10.0% late payment penalty amounting to RM445.92.

As at the LPD, our Group has not experienced any material adverse impact on our business operations nor has Polymer Link Malaysia been imposed with any further notices, penalties or compounds from the relevant authorities arising from such past non-compliance.

We are of the view that the said past non-compliance does not pose any material adverse impact to our Group's business operations and financial condition in view that our Group has settled the penalty imposed on Polymer Link Malaysia as at the LPD.

7. BUSINESS OVERVIEW *(Cont'd)*

(x) Sales Tax Act 2018 ("STA")

Pursuant to Section 26(1) of the STA, every taxable person shall, in respect of his taxable period, account for the sales tax due in a return in the form and manner as determined by the Director General of Customs and Excise not later than the last day of the month following the end of his taxable period to which the return relates. Section 26(5) of the STA further provides that any taxable person who is required to furnish a return under Section 26 of the STA shall pay to the Director General of Customs and Excise the amount of sales tax due and payable by him in respect of the taxable period to which the return relates not later than the last day on which he is required to furnish the return.

Any taxable person who fails to comply with the abovementioned provisions of the STA commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 3 years or to both.

Section 26(8) of the STA provides that where any sales tax due and payable is not paid wholly or partly by any taxable person after the last day on which it is due and payable under Section 26(5) of the STA and no prosecution is instituted, the taxable person shall pay –

(a) for the first 30-day period, a penalty of 10% of the amount of sales tax which remains unpaid;

(b) for the second 30-day period, an additional penalty of 15% of the amount of sales tax which remains unpaid; and

(c) for the third 30-day period, an additional penalty of 15% of the amount of sales tax which remains unpaid.

There was a late submission of the sales tax return and payment of the sales tax due and payable for the month of July 2025 which resulted in a penalty of RM2,044.59 (i.e. 10% of the total sales tax due and payable) being imposed on Polymer Link Malaysia. As at the LPD, our Group has settled all the sales tax due and payable as well as the said penalty.

As at the LPD, our Group has not experienced any material adverse impact on our business operations nor has Polymer Link Malaysia been imposed with any further notices, penalties or compounds from the relevant authorities arising from such past non-compliance.

We are of the view that the said past non-compliance does not pose any material adverse impact to our Group's business operations and financial condition in view that our Group has settled the penalty. In addition, pursuant to Section 65(12) of the STA, no prosecution shall be instituted against any taxable person who has paid the amount of sales tax due and payable, and the penalty specified under Section 26(8) of the STA.

The delay occurred notwithstanding our Group's established internal control and compliance procedures, which are generally adequate and effective. Following the incident, our Group has taken immediate remedial action by reinforcing internal compliance reminders to ensure timely submissions moving forward and proper reviewing processes are in place. In addition, our Group is in the midst of identifying additional human resources with appropriate experience to handle tax planning, administration and tax compliance related matters.

7. BUSINESS OVERVIEW *(Cont'd)*

7.24.2 Philippines

(i) Clark Development Corporation Permits and Clearances

Pursuant to Republic Act No. 7227 and the lease agreement over the Clark Land, an enterprise registered as a Clark Freeport Enterprise is required to secure and maintain permits and clearances from the CDC including but not limited to the Registration Certificate, Certificate of Annual Inspection, Certificate of Environmental Clearance, Sanitary Permit, and Fire and Safety Inspection Permit for its business activities within the Clark Freeport.

As at the LPD, Polymer Link Philippines is registered with the CDC and has secured and maintain the required permits and clearances.

(ii) The Philippine Clean Air Act of 1999

R.A. 8749 or "**The Philippine Clean Air Act of 1999**" is a comprehensive air quality management program which aims to achieve and maintain healthy air for all Filipinos. Under this, the DENR is mandated to formulate a national program on how to prevent, manage, control, and reverse air pollution using regulatory and market-based instruments, and setup a mechanism for the proper identification and indemnification of victims of any damage or injury resulting from the adverse environmental impact of any project, activity or undertaking.

The Philippine Clean Air Act of 1999 requires enterprises that operate or utilise air pollution sources to obtain an Authority to Construct or a Permit to Operate from the DENR with respect to the construction or use of air pollutants. The issuance of said permits seek to ensure that regulations of the DENR with respect to air quality standards and the prevention of air pollution are achieved and complied with by such enterprises.

As at the LPD, Polymer Link Philippines has obtained a permit to operate air pollution source and control installations which remains valid and subsisting.

(iii) Foreign Investments Act of 1991

Republic Act No. 7042, otherwise known as the Foreign Investments Act of 1991 ("**FIA"**), liberalized the entry of foreign investment into the Philippines. As a general rule, there are no restrictions on extent of foreign ownership of export enterprises. In domestic market enterprises, on the other hand, foreigners can invest as much as 100.0% equity except in areas wholly or partially reserved to Philippine nationals under the Philippine constitution, special laws and the Foreign Investment Negative List.

Under the FIA, as amended, domestic market enterprises with paid-in capital of less than the equivalent of USD200,000 (equivalent to approximately RM0.8 million) shall not be more than 40.0% foreign-owned. To allow 100.0% foreign ownership, the company must have a paid-up capital of at least USD200,000 (equivalent to approximately RM0.8 million). Nonetheless, a paid-in capital of at least the equivalent of USD100,000.00 (equivalent to approximately RM0.4 million) is sufficient if (1) they involve advanced technology as determined by the Department of Science and Technology, or (2) they are endorsed as startup or startup enablers by the lead host agencies pursuant to Republic Act No. 11337, otherwise known as the "Innovative Startup Act," or (3) a majority of their direct employees are Filipino, but in no case shall the number of Filipino employees be less than fifteen (15).

Ownership of private lands is limited to citizens of the Philippines, or to corporations or associations at least 60.0% of the capital stock of which are owned by such citizens. Accordingly, domestic corporations with more than 40.0% foreign equity cannot own private lands. These corporations may, however, lease private land for a period of 25 years, renewable for another 25 years.

7. BUSINESS OVERVIEW *(Cont'd)*

Corporations with more than 40.0% foreign equity participation, whether new or existing, are required to be registered with the Securities and Exchange Commission ("**SEC**") under the FIA. As Polymer Link Philippines and Maqqo Philippines have more than 40.0% foreign equity participation, they are required to be registered with the SEC under the FIA.

As at the LPD, Maqqo Philippines is registered with the SEC under the FIA. In May 2025, the SEC verbally informed our legal counsel in Philippines that Polymer Link Philippines is not required to register under the FIA on the basis that it operates within the Clark Freeport Zone. Accordingly, Polymer Link Philippines' operations fall under the regulatory framework of Republic Act No. 7227 and are governed by the CDC. Please refer to **Section 7.24.2(i)** of this Prospectus for further details on the Republic Act No. 7227.

(iv) National Internal Revenue Code

In the Philippines, deficiency tax is defined as the amount still due and collectible from a taxpayer upon audit or investigation of the BIR. Under the National Internal Revenue Code of 1997, as amended, the BIR has the authority to assess and collect deficiency tax, along with applicable surcharge, delinquency interest and compromise penalty.

There was a deficiency in tax payment by Polymer Link Philippines for the years of assessment 2020 to 2023. Polymer Link Philippines has settled all the deficiency, surcharge, interest and penalty imposed for the said years amounting to approximately PHP4.5 million (equivalent to approximately RM0.3 million), PHP1.5 million (equivalent to approximately RM0.1 million), PHP2.3 million (equivalent to approximately RM0.2 million) and approximately PHP2.5 million (equivalent to approximately RM0.2 million) for the years of assessment 2020, 2021, 2022 and 2023 respectively.

In addition, Maqqo Philippines had also received a letter from the BIR on 19 August 2024 to examine its books of accounts and other accounting records for all internal revenue taxes for the period from 1 October 2021 to 30 September 2022. On 24 September 2024, the BIR issued a notice of discrepancy amounting to PHP5,151,660.29 (equivalent to approximately RM0.4 million) and directed Maqqo Philippines to explain and submit documentary evidence to reconcile and refute the discrepancies. On 27 January 2025, the BIR issued a revised notice of discrepancy for the total deficiency tax of PHP18,464,625.99 (equivalent to approximately RM1.3 million). Maqqo Philippines, through its legal counsel in the Philippines had on 7 July 2025 submitted a reply to the BIR to address the BIR's findings. However, on 15 July 2025, the BIR issued a final assessment notice of discrepancy for the total deficiency tax of PHP19,442,915.38 (equivalent to approximately RM1.4 million). On 17 September 2025, Maqqo Philippines, through its legal counsel in the Philippines, submitted a letter to the BIR to protest the assessment and to seek a re-investigation by the BIR, which is currently pending response from the BIR.

We are of the view that the abovementioned deficiency in tax and examinations do not pose any material adverse impact to our Group's business operations and financial condition in view that deficiency in tax payments by Maqqo Philippines represent 7.6% of the PBT of our Group for the FYE 2024. However, the aforementioned amount is still subject to change in view that the said examination is still on-going.

(v) Labor Code of the Philippines

The Department of Labor and Employment ("**DOLE**") is the Philippine government agency mandated to formulate policies, implement programs and services, and serves as the policy-coordinating arm of the executive branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws such as the Labor Code of the Philippines ("**Labor Code**") and the Occupational Safety and Health Standards, as amended, and such other laws as specifically assigned to it or to the Secretary of the DOLE. All doubts in the implementation and interpretation of the provisions of the Labor Code shall be resolved in favor of labor. The Labor Code and other statutory laws specify the minimum statutory benefits that employers are required to grant to their employees.

7. BUSINESS OVERVIEW *(Cont'd)*

Occupational Safety and Health Standards Law

On 17 August 2018, the Republic Act No. 11058 or the Occupational Safety and Health Standards Law came into effect. It mandates employers, contractors, or subcontractors and any person who manages, controls or supervises the work, to furnish the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness or physical harm to the workers. It also requires providing complete job safety instructions or orientation and to inform the workers of all hazards associated with their work, health risks involved or to which they are exposed to, preventive measures to eliminate or minimise the risks and steps to be taken in cases of emergency.

The Rules for Occupational Safety and Health Standards ("**OSHS**") issued by the Bureau of Working Conditions of the DOLE establishes the threshold limit values ("**TLV**") for toxic and carcinogenic substances which may be present in the atmosphere of the work environment. The TLV refers to airborne concentration of substances and represent the conditions under which it is believed that nearly all workers may be repeatedly exposed daily without adverse effect. The TLV also pertains to the time weighted concentrations for an 8-hour workday and a total of 48 work hours per week.

The employees' exposure to the substances identified in the OSHS must be limited to the ceiling value given for the relevant substance in the OSHS, or must not exceed the 8-hour time weighted average limit given for that substance in the OSHS, as the case may be.

To protect the employees, an employer is required to furnish its workers with protective equipment for the eyes, face, hands, and feet as well as protective shields and barriers, whenever necessary, by reason of the hazardous nature of the process or environment, chemical or radiological or other mechanical irritants or hazards capable of causing injury or impairment in the function of any part of the body through absorption, inhalation, or physical contact. The employer is responsible for ensuring the adequacy and proper maintenance of personal protective equipment used in its workplace.

To ensure compliance with the OSHS, every establishment or place of employment will be inspected at least once a year. Special inspection visits may be authorised by the Regional Labor Office to investigate accidents, occupational illnesses or dangerous occurrences, especially those resulting in permanent total disability or death, to conduct surveys of working conditions for the purpose of evaluating and assessing environmental contaminants and physical conditions, or to conduct investigations, inspections or follow-up inspections upon request of an employer, worker or a labor union of the establishment.

Any violation of the provisions of the OSHS will be subject to the applicable penalties provided under Department of Labour and Employment Department Order No. 198-18 and imposable upon any employer, contractor, or subcontractor who willfully fails or refuses to comply with the OSHS or a compliance order issued by the Secretary of Labor and Employment or his/her authorised representative.

Depending on the size of the workforce and the nature of the workplace as either hazardous or non-hazardous, an employer is obliged to provide certain free medical and dental attendance and facilities. For large-scale industries with workers of 200 to 600, the employer is required to provide the services of a part-time occupational health physician and a part-time dentist, each of whom is required to stay on the premises of the workplace at least four hours a day, six times a week, and each working in alternate periods. It is also required to provide the services of a full-time occupational health nurse and a full-time first aider. The employer must further maintain an emergency clinic, unless there is a hospital or dental clinic within 25 minutes of travel, and ensure that it has facilities readily available for transporting its workers to the hospital or clinic in case of an emergency.

7. BUSINESS OVERVIEW *(Cont'd)*

Under the OSHS, every place of employment is required to have a health and safety committee. Further, the employer has the duty to write administrative policies on safety in conformity with OSHS. It must provide to DOLE copies of the policies adopted and the health and safety organisation established to carry out the program on safety and health within one month after the organization or reorganisation of the health and safety committee.

Moreover, Republic Act No. 7877 makes it the duty of every employer to create a committee on decorum and investigation of sexual harassment cases. Such committee must be composed of at least one representative each from management, the union, the employees from the supervisory rank, and the rank-and-file employees. In addition, it is likewise the duty of the employer to promulgate rules and regulations prescribing the procedure for the investigation of sexual harassment cases and the administrative sanctions therefor, which rules must be formulated in consultation with, and approved by, the employees.

An employer, contractor or subcontractor who willfully fails or refuses to comply with the OSHS shall be administratively liable for a fine. Further, the liability of the employer, project owner, general contractor, contractor or subcontractor, if any, and any person who manages, controls or supervises the work, shall be solidary.

As at the LPD, Polymer Link Philippines is compliant on both general labour standards and occupational safety and health standards based on the inspection made by DOLE on 20 February 2025. The next inspection will be conducted during the same period in 2026.

7.24.3 India

(i) Factories Act, 1948 ("Factories Act") read with the Goa, Daman & Diu Factories Rules, 1985 ("Daman Factories Rules")

The Factories Act defines a "factory" to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. State Governments in India have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers.

Under the Factories Act read with the Daman Factories Rules, no occupier shall use any premises as a factory unless a licence to work a factory has been obtained from the relevant authorities. The penalties for contravention of the Factories Act include a fine which may extend to INR100,000 (equivalent to approximately RM4,750) or imprisonment for a term which may extend to 2 years or with both for the 'occupier' or 'manager' as defined under the Factories Act.

As at the LPD, our subsidiary has obtained the licence to work a factory under the Factories Act and is valid and subsisting.

7. BUSINESS OVERVIEW *(Cont'd)*

(ii) Goa, Daman & Diu Fire Force Act, 1986 ("Fire Force Act")

Pursuant to the Notification/2004-05/627 dated 12 January 2005 ("**627 Notification**") issued under Section 13(1) of the Fire Force Act, any premises falling within the list of places and trades as set out under Appendix VI of the 627 Notification are required to obtain the fire no-objection certificate from the Department of Fire & Emergency Services. Failure to comply with any notification issued by the relevant authorities under the Fire Force Act shall be punishable with a fine of up to INR1,000 (equivalent to approximately RM50). In addition, in exercise of the powers conferred under Section 13 of the Fire Force Act, the Director or Station Fire Officer of the Fire & Emergency Services may direct removal of object or goods likely to cause the risk of fire, to a place of safety and on failure of the owner or occupier to do so, the Director or Station Fire Officer may after giving the owner or occupier a reasonable opportunity of making the representation, seize, detain or remove such objects or goods.

In addition, any person who fails to comply with the conditions prescribed in the no-objection certificate may be subject to punitive or penal actions by the relevant authorities.

Our Group is required to obtain the no-objection certificate in respect of our India Factory. As at the LPD, our Group has obtained and possessed a valid no-objection certificate, which is valid from 4 March 2025 to 3 March 2026.

Prior to and up to the issuance of the renewed certificate, our Group has not experienced any material adverse impact on our business operations nor has our Group been imposed with any notices, penalties or compounds by the relevant authorities.

We are of the view that the matter will not result in a material adverse impact on the overall business operations and/or financial condition of our Group in view that it has been rectified and our Group has obtained the renewed certificate.

(iii) Environment (Protection) Act, 1986 ("EP Act"), Environment (Protection) Rules, 1986 ("EP Rules") and Environmental Impact Assessment Notification, 2006 ("EIA Notification")

The EP Act has been enacted for the protection and improvement of the environment. The EP Act empowers the government to take all measures to protect and improve the quality of environment, such as by laying down standards for emission and discharge of environmental pollutants. It is in the form of umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessary rules and regulations. Further, the EP Rules specify, inter alia, the standards for emission or discharge of environmental pollutants and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act") and Air (Prevention and Control of Pollution) (Union Territory) Rules 1983 ("Air Rules")

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. It was enacted to take appropriate steps for the preservation of natural resources of the earth, which include, among others, the preservation of the quality of air and control of air pollution.

Pursuant to Section 21 of the Air Act read with Rule 9 of the Air Rules, no person is permitted to establish or operate an industrial plant without obtaining the previous consent of the state pollution control board or the pollution control committee, as the case may be.

7. BUSINESS OVERVIEW *(Cont'd)*

Any person who fails to comply with the abovementioned provision is punishable with imprisonment for a term of not less than 1 year and 6 months, but which may extend to 6 years and with fine, and in case of continuous non-compliance, with an additional fine which may extend to INR50,000 (equivalent to approximately RM2,400) for every day during which such non-compliance continues after the conviction.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act") and Water (Prevention and Control of Pollution) (Union Territory) Rules 1975 ("Water Rules")

The Water Act was enacted to control and prevent water pollution and for maintaining or restoring the purity of water in India. The objective of this legislation is to ensure that domestic and industrial pollutants are not discharged into streams and wells without adequate treatment.

Pursuant to Section 25 of the Water Act read with Rule 32 of the Water Rules, no person is permitted to, inter alia, establish or take any steps to establish any industry, operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land.

Any person who fails to comply with the abovementioned provision is punishable with imprisonment for a term of not less than 1 year and 6 months, but which may extend to 6 years and with fine, and in case of continuous non-compliance, with imprisonment for a term of not less than 2 years but which may extend to 7 years and with fine.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules"), as amended by the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2022

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. A list of hazardous wastes and processes that generate hazardous waste have been specified under the Hazardous Waste Rules. We are required to obtain authorisations for, inter alia, the generation, processing, treatment, package, storage, transportation, use, collection, destruction or transfer of the hazardous waste from the concerned state pollution control board.

Based on the above, Polymer Link India is required to obtain the consent to establish and operate an industrial plant. However, there was a delay by Polymer Link India in obtaining the consent to establish and operate an industrial plant. Polymer Link India has applied and obtained the consent to establish in March 2021 and subsequently the consolidated consent and authorization ("**CTO**") under the provisions of the Air Act, Water Act and Hazardous Waste Rules in August 2023. As at the LPD, the CTO is valid until 28 February 2029. For avoidance of doubt, Polymer Link India is not required to renew the consent to establish upon obtaining the CTO.

As at the LPD, our Group has not experienced any material adverse impact on our business operations nor received any notices, penalties or compounds from the relevant authorities in respect of such past non-compliance. In view that our Group has obtained the CTO, our Board is of the view that the risk of being charged, convicted, penalised and/or compounded retrospectively under the Air Act or Water Act is low.

We are of the view that the said past non-compliance does not pose any material adverse impact to our Group's business operations and financial condition in view that it has been rectified as at the LPD and our Group has obtained the CTO in August 2023.

In order to rationalise and reform labour laws in India, the Government has enacted the following code, which will be brought into force on a date to be notified by the Central Government:

7. BUSINESS OVERVIEW *(Cont'd)*

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment received the assent of the President of India on 28 September 2020 and proposes to subsume certain existing legislations, including the Factories Act, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

As per the A Notification no.LE/ DMN/ SCLW/ 183/ 2017/ 324 dated 20 November 2017, issued by the Department of Labour and Employment, Daman a single integrated return is required to be filed in respect of the following laws: (i) The Contract Labour (Regulations and Abolition) Act, 1970, (ii) The Equal Remuneration Act, 1976, (iii) The Minimum Wages Act, 1948, (iv) The Payment of Wages Act, 1936, (v) The Factories Act, (vi) The Maternity Benefits Act, 1961, and (vii) The Physically Handicapped person (Employment in Factories Act), 1982.

7.24.4 Australia

(i) Corporations Act 2001 (Cth) ("Corporations Act")

The Corporations Act, and the Australian Securities and Investments Commission Act 2001 (Cth), govern companies and securities law in Australia. The regime, which includes governance, share capital and financial reports and audit requirements, is administered and enforced by the Australian Securities and Investments Commission ("**ASIC**"). The ASIC is an independent statutory body that is empowered to take a range of criminal, civil and administrative action to address alleged misconduct.

Pursuant to Section 292(2) of the Corporations Act, a small proprietary company that is controlled by a foreign company, and which is not consolidated into financial reports otherwise lodged with ASIC, is required to prepare financial reports that comply with Part 2M.3 of the Corporations Act.

A proprietary company is a small proprietary company for any financial year if it satisfies at least 2 of the following:

(a) the consolidated revenue for the financial year of the company and any entities it controls is less than AUD50.0 million (equivalent to approximately RM139.2 million);

(b) the value of the consolidated gross assets at the end of the financial year of the company and any entities it controls is less than AUD25.0 million (equivalent to approximately RM69.6 million); and

(c) the company and any entities it controls have fewer than 100 employees.

Section 50AA of the Corporations Act provides that, for the purposes of the Corporations Act, an entity controls another entity if it has the capacity to determine the outcome of decisions about the latter's financial and operating policies.

Financial reports prepared pursuant to Section 292(2) of the Corporations Act must be audited pursuant to Section 301 of the Corporations Act. Those audited financial reports must be lodged with ASIC within 4 months after the end of its financial year pursuant to Section 319 of the Corporations Act. A company that contravenes Section 319 of the Corporations Act commits an offence of strict liability and upon conviction, shall be liable to a maximum penalty of AUD396,000 (equivalent to approximately RM1.1 million). ASIC may also take action against the company's officers in connection with the offence.

7. BUSINESS OVERVIEW *(Cont'd)*

Notwithstanding the above, ASIC has issued two instruments that, subject to the relevant conditions being met, provide relief from the requirement to prepare financial reports that comply with Part 2M.3 of the Corporations Act and the requirement to audit financial reports pursuant to Section 301 of the Corporations Act respectively.

Due to the complexities involved in assessing Polymer Link Australia's eligibility for relief from complying with the financial reporting obligations, Polymer Link Australia failed to prepare and lodge the audited financial report for the FYE 2024 within the required timeframe pursuant to the Corporations Act. The said audited financial report was subsequently prepared and lodged with ASIC on 7 March 2025.

As at the LPD, Polymer Link Australia has not received any notices, penalties or compounds from the relevant authorities in respect of such past non-compliance.

Notwithstanding that the audited financial report for FYE 2024 has been lodged with ASIC, there can be no assurance that penalties will not be imposed on our Group for the past non-compliance. The potential maximum penalty for such non-compliance of AUD396,000 (equivalent to approximately RM1.1 million) represents approximately 6.6% of our Group's PBT for the FYE 2024.

However, based on publicly available information on past enforcement actions by ASIC, it is noted that ASIC typically prosecutes companies with continuous non-compliance and the likelihood of ASIC imposing the maximum penalty is low. For instance, based on the latest media release by ASIC in 2023, it was highlighted that ASIC had prosecuted 36 companies between January 2023 and June 2023 for non-compliances involving financial reporting, annual general meeting and other requirements. Among the 36 companies, only 3 companies were imposed with a fine exceeding AUD100,000 (equivalent to approximately RM0.3 million). Further, the fine imposed on companies convicted particularly for failing to lodge financial reports (excluding public companies and companies convicted with additional offences) was less than AUD10,000 (equivalent to RM27,830).

As such, we are of the view that the said past non-compliance does not pose any material adverse impact to our Group's business operations and financial condition.

(ii) Foreign Acquisitions and Takeovers Act 1975 (Cth) ("FATA")

The FATA is administered by the Australian Treasurer with the advice and assistance of the Foreign Investment Review Board ("**FIRB**"). The FATA regime aims to ensure that foreign direct investment is not 'contrary to Australia's national interest'. Foreign persons, which include private foreign investors, are required to notify FIRB of certain transactions and obtain clearance before proceeding with the transaction. Monetary thresholds apply to certain acquisitions by private foreign investors. If a transaction requiring clearance proceeds without clearance, the Treasurer has powers to make adverse orders, including divestment. There are also criminal and civil penalties for non-compliance.

(iii) Competition and Consumer Act 2010 (Cth) ("CCA")

The CCA regulates competition and consumer protection law in Australia. The CCA contains prohibitions against anti-competitive conduct including cartel conduct, resale price maintenance, exclusive dealing and other unfair business practices, some of which are prohibited outright and others that are only prohibited where there is the purpose, effect or likely effect of substantially lessening competition. The Australian Consumer Law ("**ACL**") also regulates consumer-related dealings including prohibitions against misleading or deceptive conduct and unfair contract terms, and a regime of statutory warranties (consumer guarantees). Importantly, certain prohibitions under the ACL apply in relation to business-to-business dealings. The Australian Competition and Consumer Commission is responsible for administering and enforcing the CCA and the ACL. There are significant consequences for contravening the CCA and the ACL, including potential fines, damages and, in some instances, imprisonment.

7. BUSINESS OVERVIEW *(Cont'd)*

7.24.5 USA

The activities of Polymer Link USA are subject to regulation by the United States Federal Government, the State of Illinois, and any state or local jurisdiction in which it conducts the requisite level of operations to be subject to the laws and regulations of such state or local jurisdiction.

United States Customs Modernization Act ("Mod Act")

The Mod Act and other import regulations administered by United States Customs and Border Protection ("**CBP**") govern the importation of goods into the USA. Under the Mod Act, importers of record are responsible for submitting appropriate documentation to CBP and ensuring compliance with all import requirements, including, among others, the classification and valuation of goods under the Harmonized Tariff Schedule, adherence to country-of-origin requirements, and compliance with restrictions on prohibited items (e.g., goods made using forced/ child labor). Non-compliance with customs regulations can result in fines, penalties, or the seizure of goods.

7.25 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

Our Group recognises the importance of adopting Environment, Social and Governance practices, which include ensuring environmentally responsible operations, providing conducive workplaces for employees and ensuring that there is a high standard of corporate governance for sustainable valuation creation, to maintain the confidence of our shareholders and stakeholders. In this regard, our primary focus is on these 3 broad categories:

(i) Environmental

Our Group aims to integrate sustainable practices into our operations to minimise our impact on the environment. The measures that we have taken or plan to take include the following:

(a) Energy efficiency

We promote energy saving practices in our workplace. In this regard, we acquired electric vehicles and plug-in hybrid electric vehicles for management use, implemented light-emitting diode and inverter air conditioning systems across our existing operations, and installed a solar PV system with a capacity of 947.1 kilowatt peak on the rooftop of Phase 1 of our Malaysia Factory which we estimate will result in energy savings of approximately 99,445.5 kilowatt-hour per month. It should be noted that the use of solar panels is prevalent in Polymer Link India's operations since 5 July 2021.

(b) Emissions and water management

Our Malaysia Factory undergoes periodic chimney emission reviews for the purposes of ensuring emissions adhere to prescribed limits and standards, and regularly monitors its waste management, with a specific focused on effluent. Whereas for our Philippines Factory and India Factory, they have a water treatment plant to ensure the quality of water is suitable for manufacturing our plastic powders.

(c) Waste management

Our Group promotes recycling initiatives. In this regard, our Group has implemented schedules setting out procedures for managing chemical wastes generated and disposed from our operations, and for waste identification. We also practise waste segregation where we segregate various types of waste such as used gloves and masks, resin, slumb, slumb with screen, flexural and tensile samples and Environmental Stress Crack Resistance Test (ESCR) samples. Further, our Group identifies and segregates recyclable materials, including resin, and incorporates recycled materials into new product mixes.

7. BUSINESS OVERVIEW *(Cont'd)*

(ii) Social sustainability

Our Group places a strong emphasis on the safety and health of all employees as well as endeavor to ensure equal opportunities are available for all employees. In this regard, our focus is on, among others, the following:

(a) Empowering our workforce and diversity

We recruit employees from diverse backgrounds and do not discriminate throughout the selection process, and employees are offered competitive compensation packages and rewarded based on based on job knowledge and soft skills.

Further, we prioritise the career development of our employees, regardless whether they are full-time, part-time or on a contractual basis. From 1 January 2024 to 31 December 2024, our employees underwent a cumulative training hour of up to 140 hours, averaging 7 training hours per employee, covering a range of topics such as health and safety training, technical training and environmental topics.

(b) Occupational health and safety

We have implemented a Health and Safety Policy and Standard Operating Procedures ("**SOPs"**), which is overseen by our dedicated Health and Safety Officer and Committee, which has been in place effective since 12 November 2021. Among others, the following initiatives were carried out:

- personal protective equipment were provided to employees of our manufacturing division; and
- regular safety and health training awareness sessions covering topics such as first aid and safe machine handling were conducted.

(c) Products safety and quality

We prioritise and invest in measures to ensure the highest standards across all our offerings. In this regard, our Group implemented a Quality Policy effective 1 June 2019 for the purposes of ensuring our products and services meet or exceed customer expectations.

(iii) Governance

We recognise that a high standard of corporate governance is the foundation of a sustainable business. In this regard, we implemented the following measures:

(a) Anti-corruption and anti-bribery

Our Group adopts a zero-tolerance stance on corruption and bribery. In this regard, our Group has in place our Anti-Corruption and Anti-Bribery Policy, effective since 1 June 2020, to ensure strict adherence to the Malaysian Anti-Corruption Commission Act 2009. Additionally, to ensure the highest standards of integrity, transparency and accountability in all of our operations, we have in place our Whistleblowing Policy, effective since 1 June 2020.

Further, we have in place a Code of Conduct and Ethics which serves as a guiding compass for all employees, outlining the fundamental principles that underpin our professional conduct.

7. BUSINESS OVERVIEW *(Cont'd)*

(b) Procurement practices

We are dedicated to transparent and fair procurement practices. In this regard, we have in place SOPs for our procurement activities, effective since 1 June 2019, to guide and govern the entire procurement process.

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8. INDEPENDENT MARKET RESEARCH REPORT



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Creating Winning Business Solutions

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14 October 2025

The Board of Directors
Polymer Link Holdings Berhad
Lot 99045, Jalan Tun Perak 1/KU16
Perdana Industrial Park
42000 Pelabuhan Klang
Selangor, Malaysia

Dear Sirs and Madams

Independent Assessment of the Polymer Powder Industry

We are an independent business consulting and market research firm based in Malaysia, established in 1993. We offer consulting services, including business plans, opportunity evaluations, commercial due diligence, feasibility studies, financial and industry assessments, and market research. Since 1996, we have been involved in corporate exercises such as initial public offerings, reverse takeovers, chain listings, transfers to the Main Market, and business regularisations for publicly listed companies on Bursa Malaysia Securities Berhad (Bursa Securities). Our corporate exercise services encompass business overviews, independent industry assessments, management discussions and analyses, and business and industry risk assessments for prospectuses, shareholders' circulars and information memorandums.

We have been engaged in providing an independent assessment of the Polymer Powder industry for inclusion in Polymer Link Holdings Berhad's prospectus for its initial public offering and listing of its shares on the ACE Market of Bursa Securities. This report has been prepared independently and objectively, with all reasonable due care taken to ensure its accuracy and completeness.

We believe the report provides a true and fair assessment of the industry, considering the limitations of timely and available information, and analyses based on secondary and primary market research as of the report date. However, it should be noted that our assessment pertains to the industry as a whole and may not reflect the performance of any specific company. We accept no responsibility for the decisions or actions of readers based on this document. This report should not be construed as a recommendation to buy, not buy, sell or not sell the securities of any company.

Our report may include disclosures, assessments, opinions, and forward-looking statements subject to hitherto unknown or undisclosed information, uncertainties, and contingencies. These statements are based on secondary information and primary market research. Despite careful analysis, the industry is influenced by various known and unforeseen factors that could cause actual outcomes and future results to differ materially from these statements.

Yours sincerely



Wooi Tan
Managing Director

Wooi Tan holds a Bachelor of Science from the University of New South Wales and a Master of Business Administration from the University of Technology, Sydney. He is a Fellow of the Australian Marketing Institute and the Institute of Managers and Leaders, Australia. With over 30 years of experience in business consulting and market research, he has also assisted companies in their initial public offerings and listings on Bursa Malaysia Securities Berhad.

VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Date of report: 14 October 2025

INDEPENDENT ASSESSMENT OF THE POLYMER POWDER INDUSTRY

1. OVERVIEW OF POLYMER LINK GROUP'S BUSINESS AND REPORT PARAMETERS

- Polymer Link Holdings Berhad, together with its subsidiaries (Polymer Link Group), is involved in manufacturing plastic, mainly polyethylene (PE), powder for general and speciality applications. Polymer Link Group has operations in Malaysia, the Philippines, and India, which are the focus of this report. PE refers to PE resin, the common physical form of PE where applicable. The polymer used in this report refers to plastic polymers.

2. INDUSTRY STRUCTURE

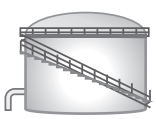
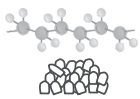
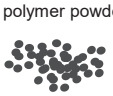
2.1 Polymer Industry Overview

- Polymers are large molecules made up of many repeating subunits called monomers. They can be naturally occurring, such as rubber and proteins, or synthetically produced, such as plastics. Plastics are commonly derived from petrochemicals such as crude oil and natural gas. Some widely used plastic monomers include ethylene, propylene, styrene, or vinyl chloride. The production of plastic involves polymerisation, which is to link multiple monomers together to form long chains. Some of the common types of plastic polymers include high/low-density polyethylene, polyethylene terephthalate (PET), polypropylene (PP), polyvinyl chloride (PVC), polystyrene (PS), and acrylonitrile butadiene styrene (ABS). Polymer Link Group manufactures plastic in powder form, particularly PE powder.

- Plastics used in manufacturing typically come in resin pellets or granules, often combined with various additives to achieve specific properties and characteristics. In some manufacturing processes, such as rotational moulding, the compounded plastics are ground into powder form, which will be discussed in the report as it is Polymer Link Group's main activity.

2.2 Value chain of the polymer powder industry

- The value chain of the polymer powder industry is illustrated in the following diagram:

<table>
<tr><th colspan="6">Polymer Powder Industry</th></tr>
<tr><td></td><td colspan="2">Upstream
(main raw materials)</td><td colspan="3">Midstream (manufacture of polymer powder)</td><td>Downstream (application of polymer powder)</td></tr>
<tr><td rowspan="2">Main input materials</td><td colspan="2">either one</td><td rowspan="2">Ethylene</td><td rowspan="2">• Polymer resin
• Additives</td><td rowspan="2">• Polymer resin
• Compounded polymer resin</td><td rowspan="2">• Polymer powder
• Compounded polymer powder</td></tr>
<tr><td>Crude oil</td><td>Natural gas</td></tr>
<tr><td>Processes</td><td>Refining/ steam cracking</td><td>Processing/ steam cracking</td><td>Chemical reactions (polymerisation)</td><td>Compounding</td><td>Grinding</td><td>Rotational, injection and blow moulding, powder coating and others</td></tr>
<tr><td>Intermediate/ Finished products</td><td colspan="2">Ethylene
</td><td>Polymer resin
</td><td>• *Masterbatch (compounding of several additives)
• Compounded polymer resin (polymer resin + masterbatch)</td><td>Polymer powder or compounded polymer powder
</td><td>Plastic/plastic coated products
</td></tr>
</table>

Polymer Link Group mainly operates in these segments.

Polymer Link Group mainly serves this group of customers.

Upstream

- The plastic, including the polymer powder industry, starts with the exploration and extraction of **crude oil** or **natural gas**. Crude oil is refined to extract naphtha, which is subjected to high temperatures in the presence of steam, also known as the "steam cracking process", to produce ethylene. Natural gas is processed to remove impurities before being subjected to steam cracking to produce ethylene. **Ethylene** is the monomer feedstock to produce PE.

Midstream

- PE, a polymer of ethylene, is produced through a series of chemical reactions involving ethylene, catalysts, and other chemicals, processed under various conditions to, among others, accelerate the polymerisation process, control the chain length, determine the prevalence and length of side branches, and cross-link different chains. This, in turn, affects the physical properties of the PE, such as its mechanical strength, impact resistance and flexibility. Some common types of PE are as follows:
  - **High-density polyethylene (HDPE)**, is a thermoplastic* material made from the polymerisation of PE at low temperature and pressure. HDPE is hard, opaque, can withstand high temperatures, is compatible with most acidic and alkaline solutions, and has a matte finish. Some common HDPE products include plastic bottles, toys, chemical containers and pipes. ** A thermoplastic material is softened when heated, hardened upon cooling, is mouldable and reversible or recyclable.*
  - **Low-density polyethylene (LDPE)**, is a thermoplastic material made from the polymerisation of PE at a very high pressure. LDPE is flexible and tough, with high resilience and resistance to breakage, but with low tensile strength and density. Some common LDPE products include packing films and food storage containers.
  - **Linear low-density polyethylene (LLDPE)** is a thermoplastic that is similar to LDPE, with the presence of alpha-olefinic comonomers during the polymerisation processes. LLDPE has a higher density than LDPE due to its more linear molecular structure, which is preferred for applications requiring greater strength and puncture resistance. Some common LLDPE products include roto moulded tanks, caps and closures, housewares, as well as irrigation pipes.

  HDPE and LLDPE are the main PE that Polymer Link Group uses to manufacture PE powder.

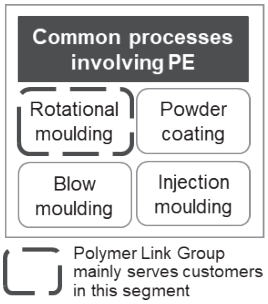
- **Additives** are chemicals that modify the properties of plastic materials. Common additives are plasticisers, colour pigments, fillers, impact modifiers, anti-oxidants and lubricants.

- **Masterbatch** is a mixture of additives blended with a carrier plastic resin, such as PE, produced in pellet form. The masterbatch pellet is then compounded and fused with the primary plastic, such as PE, resins to produce compounded resins. Compounding involves blending and melting the plastic resin and masterbatch to make the material with the desired performance characteristics. Compounded plastic resin is commonly supplied in pellet form, although micro-pellets, dispersions and viscous liquids are also available.

- The compounded or uncompounded PE resins are ground to produce PE powder. Grinding is the physical process of converting plastic pellets into plastic powder of specific particle size. This process is known as size reduction and is carried out in a grinding mill. Plastic in powder form is more suitable than pellet form in some plastic production manufacturing methods, such as rotational moulding and powder coating, as small plastic particles melt more quickly than pellets, thereby ensuring complete melting of the plastics and reducing cycle time and heating process.

- Polymer Link Group is mainly involved in compounding PE resin with masterbatch and grinding it to manufacture compounded PE powder. Polymer Link Group also produces non-compounded PE powder using only PE resin.

Downstream



- PE can be utilised in, among others, mould-based manufacturing processes such as rotational, injection and blow moulding, as well as powder coating for surface finishing. Rotational moulding and powder coating typically utilise PE in powder form, while injection and blow moulding typically utilise PE in pellet or granule form. The plastic powder manufactured by Polymer Link Group is commonly used by plastic product manufacturers that use the rotational moulding method.

- **Rotational moulding** refers to manufacturing hollow plastic products where plastic powder, micro-pellets or liquid plastics are heated and melted in a sealed hollow mould, which is rotated to evenly spread the melted plastic onto the mould's interior surface. The plastic solidifies into its final shape when the plastic and the mould cools, creating the plastic product. PE is the most used plastic type for the rotational moulding process due to its excellent properties of powder flow, melt flow and thermal stability, which is ideal for this manufacturing process. Some examples of common plastic products that are manufactured using the rotational moulding method include storage tanks, cooler boxes, playground equipment and kayaks. Rotational moulding is commonly used for large plastic products, which may not be optimal for other methods such as injection moulding. Rotational moulding is based on batch processing, which involves manufacturing one product or a small number of products at a time.

- Plastic product manufacturers can carry out some or all of the PE powder processes by themselves, in which case they would source the appropriate plastic resin, additives and masterbatch from various suppliers. Alternatively, plastic product manufacturers can outsource these intermediate processes and purchase compounded plastic pellets or powder directly from suppliers. Polymer Link Group provides compounded and non-compounded PE powder to plastic product manufacturers or for powder coating use.

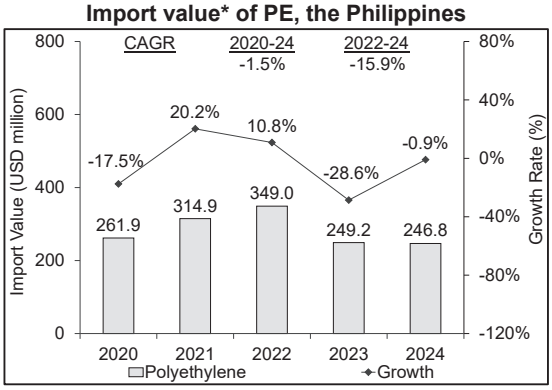
3. PERFORMANCE OF THE POLYMER POWDER INDUSTRY

- Polymer Link Group has manufacturing facilities and serves customers in the Philippines, India and Malaysia, which will be the focus of this section. The supply side performance is indicated by production and import conditions, while the demand side performance is indicated by export and domestic consumption conditions. There are no statistics on PE powder, hence the discussion will be focused on PE.

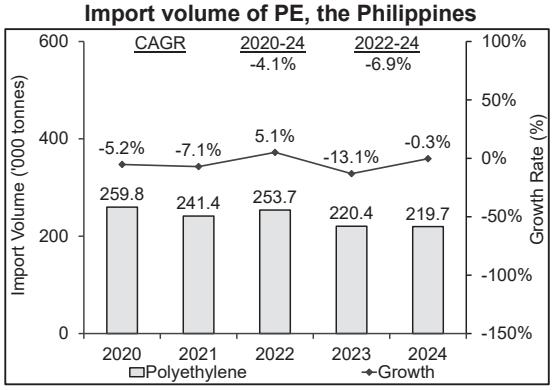
3.1 The Philippines

- The Philippines is a net importer of PE, where imports are higher than exports.

Import value* of PE, the Philippines



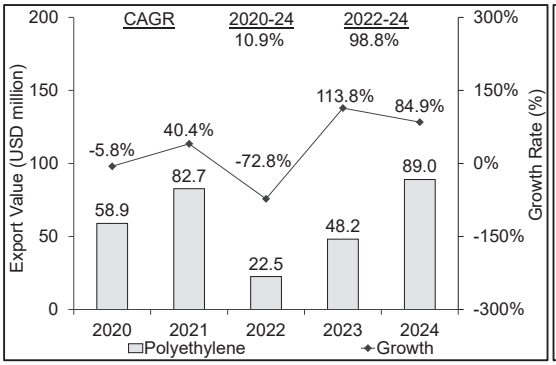
Import volume of PE, the Philippines



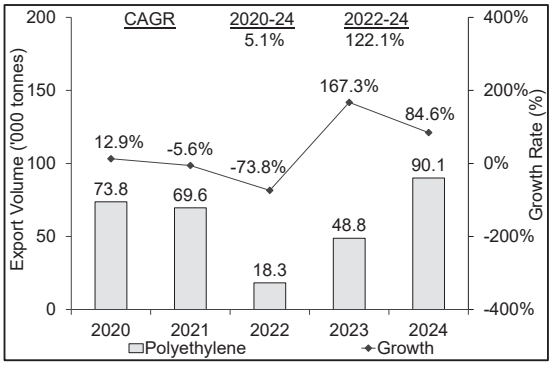
** based on Cost, Insurance, and Freight (CIF) value; CAGR = compound annual growth rate (Source: Philippines Statistics Authority)*

- In 2024, the Philippines' import value of PE declined by 0.9% to USD246.8 million, while the import volume of PE declined by 0.3% to approximately 219,700 tonnes. In 2024, the top three importing countries were Malaysia, Thailand and Singapore, accounting for 29.6%, 28.7% and 12.7% of the total import value of PE, respectively. In the first half (H1) of 2025, the Philippines' import value of PE grew by 46.9% to USD168.3 million, and the import volume of PE grew by 64.6% to approximately 160,900 tonnes compared to H1 2024.

Export value* of PE, the Philippines



Export volume of PE, the Philippines



** based on free on board (FOB) value (Source: Philippines Statistics Authority)*

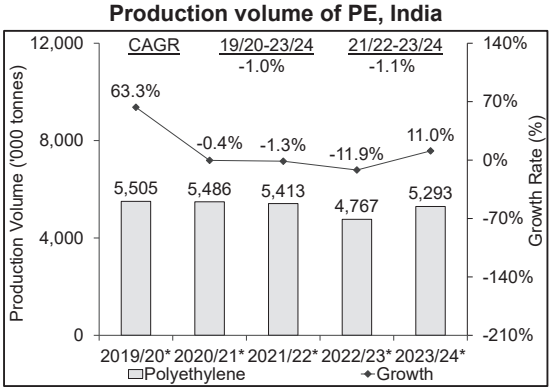
- In 2024, the Philippines' export value of PE grew by 84.9% to USD89.0 million, while the export volume grew by 84.6% to approximately 90,100 tonnes. In 2024, the top four exporting destination countries were Indonesia, China, Belgium and Australia, accounting for 28.5%, 25.6%, 13.7% and 11.2% of the total export value of PE, respectively. In H1 2025, the Philippines' export value of PE declined by 92.3% to USD3.7 million, and the export volume of PE declined by 94.9% to approximately 2,500 tonnes compared to H1 2024.

3.2 India

- India has a high production and import of PE driven by substantial domestic consumption, while its export levels remain comparatively lower.

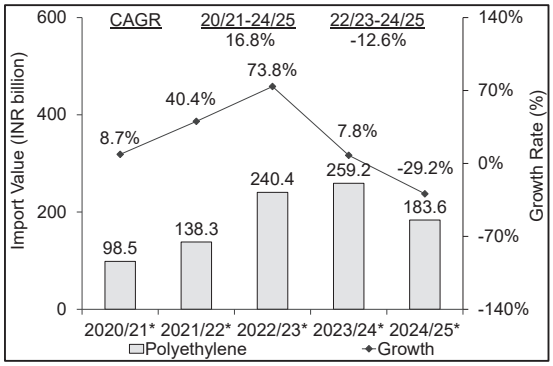
- In the fiscal year ended 31 March 2024 (FY2023/24), the production volume of PE in India grew by 11.0% to 5.3 million tonnes.

Production volume of PE, India

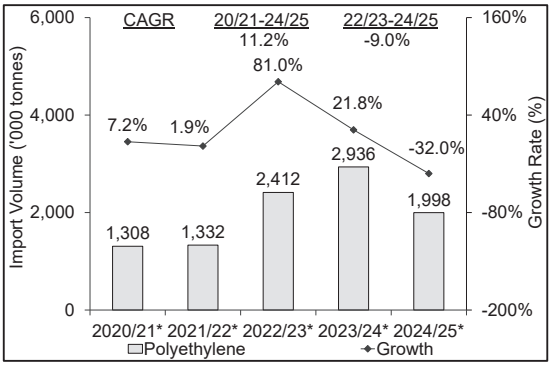


**Data is reported based on FY 1 April to 31 March (Source: Ministry of Chemicals and Fertilisers, India)*

Import value of PE, India



Import volume of PE, India

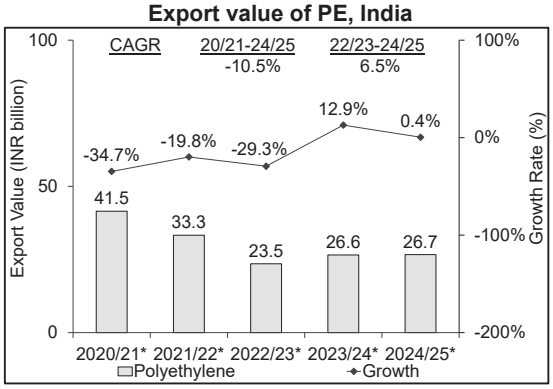


** Data is reported based on FY 1 April to 31 March (Source: Ministry of Commerce, India)*

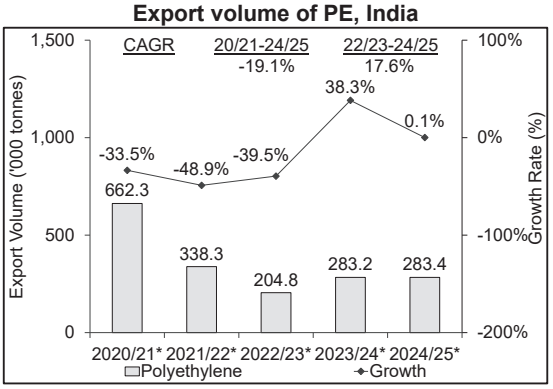
- In FY2023/24, India's import value of PE grew by 7.8% to INR259.2 billion, while the import volume of PE grew by 21.8% to 2.9 million tonnes. In FY2023/24, the top three importing countries were the United Arab Emirates, Saudi Arabia and Qatar, accounting for 30.3%, 14.3% and 9.0% of the total import value of PE, respectively.

- In FY2024/25, India's import value of PE declined by 29.2% to INR183.6 billion, while the import volume of PE declined by 32.0% to 2.0 million tonnes. In FY2024/25, the top three importing countries were the United Arab Emirates, Saudi Arabia and Qatar, accounting for 28.6%, 18.1% and 9.7% of the total import value of PE, respectively.

Export value of PE, India



Export volume of PE, India



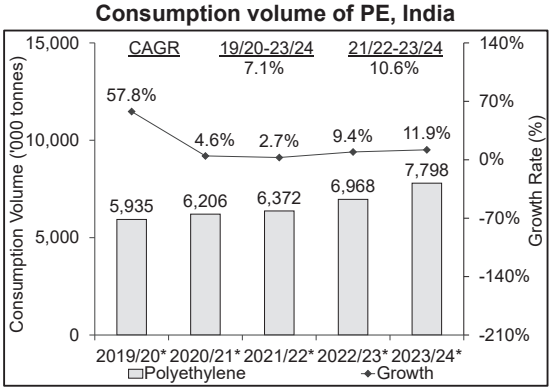
** Data is reported based on FY 1 April to 31 March (Source: Ministry of Commerce, India)*

- In FY2023/24, India's export value of PE grew by 12.9% to INR26.6 billion, while export volume grew by 38.3% to approximately 283,200 tonnes. In FY2023/24, the top three export destinations were China, Nepal, and the United Arab Emirates, accounting for 21.8%, 13.6%, and 8.7% of the total export value of PE respectively.

- In FY2024/25, India's export value of PE grew by 0.4% to INR26.7 billion, while the export volume of PE grew by 0.1% to approximately 283,400 tonnes. In FY2024/25, the top three export destinations were China, Nepal, and Vietnam, accounting for 17.3%, 14.4%, and 12.8% of the total export value of PE, respectively.

- India's domestic consumption volume of PE in FY2023/24 grew by 11.9% to 7.8 million tonnes.

Consumption volume of PE, India



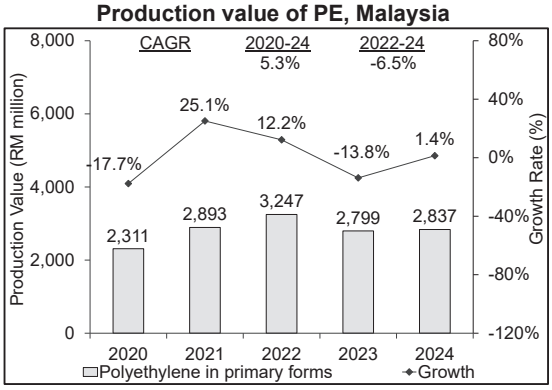
**Data is reported based on FY 1 April to 31 March, (Source: Ministry of Chemicals and Fertilisers, India)*

3.3 Malaysia

- Malaysia has high production and import of PE driven by high export and domestic consumption.

- In 2024, the production value of PE in Malaysia increased by 1.4% to RM2.8 billion,

Production value of PE, Malaysia

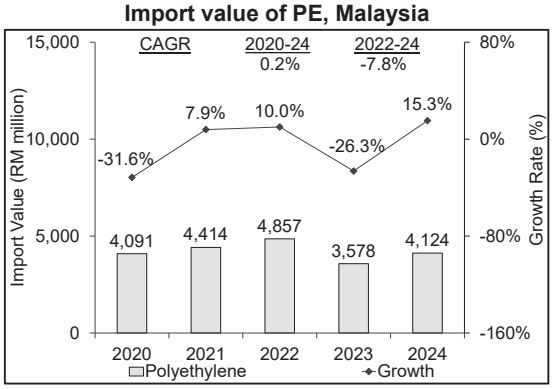


(Source: DOSM)

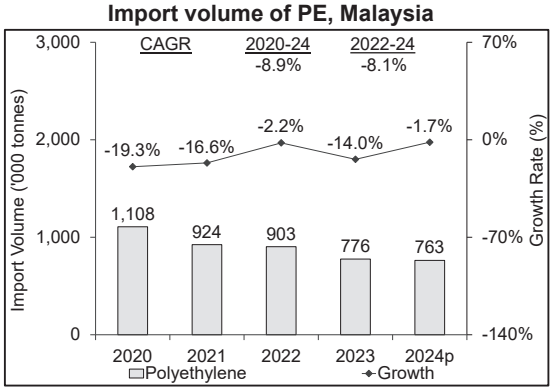
accounting for 13.0% of the production value of domestically manufactured plastic in primary form. The growth in 2024 was supported by the moderate decline of global average prices of crude oil and liquefied natural gas (LNG), which fell by 2.3% and 10.7% respectively, compared to global average prices in 2023.

- In 2024, Malaysia's import value of PE grew by 15.3% to RM4.1 billion, where the top three importing countries were Saudi Arabia, the United States, and the United Arab Emirates, accounting for 24.3%, 17.3%, and 11.4% of the total import value of PE respectively. In H1 2025, Malaysia's import value of PE declined by 2.8% to RM1.9 billion compared to H1 2024.

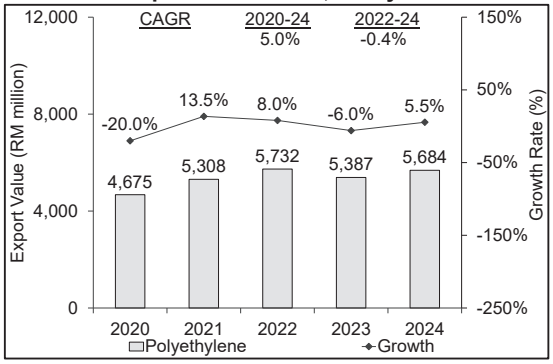
Import value of PE, Malaysia



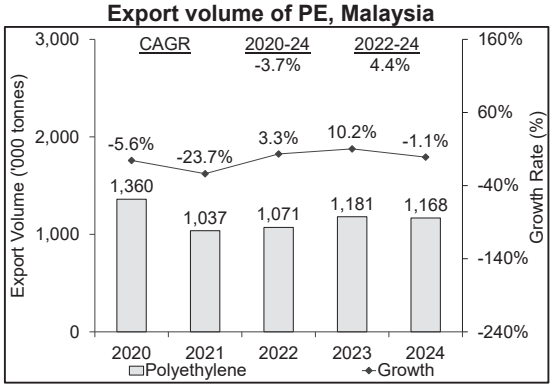
Import volume of PE, Malaysia



Export value of PE, Malaysia



Export volume of PE, Malaysia



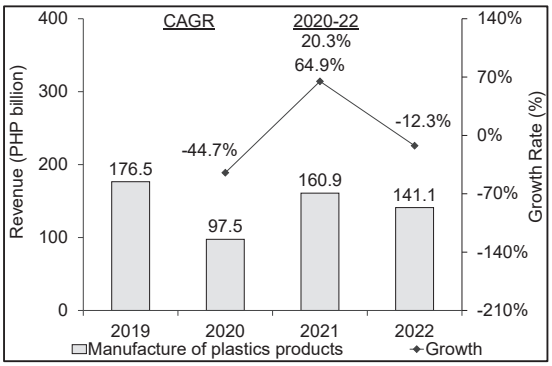
Note: p = preliminary (Sources: DOSM; Vital Factor analysis)

- On the other hand, in 2024, Malaysia's export value of PE grew by 5.5% to RM5.7 billion, where the top three export destinations were China, Indonesia, and Vietnam, accounting for 28.2%, 26.7%, and 16.4% of the total export value of PE respectively. In H1 2025, Malaysia's export value of PE declined by 31.6% to RM1.9 billion compared to H1 2024.

4. DEMAND DEPENDENCIES

- PE is used to manufacture plastic products, including plastic articles for packing goods, plastic household wares, plastic furniture fittings, as well as plastic pipes and tubes. Increasing demand for plastic products using PE powders will drive opportunities for PE powder manufacturers, including Polymer Group. There are no statistics on PE powder and as such, the discussion will be focused

Production value of plastics products, the Philippines

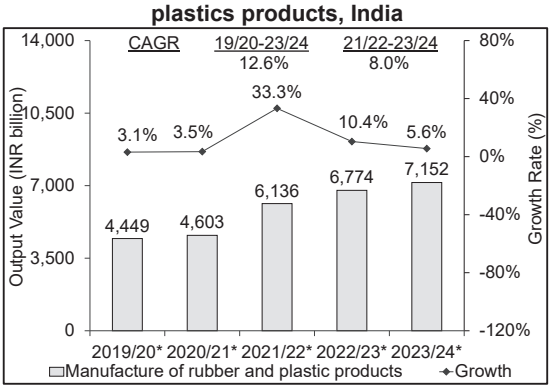


Note: Latest available data, and based on the survey carried out for that year (Source: Philippines Statistics Authority)

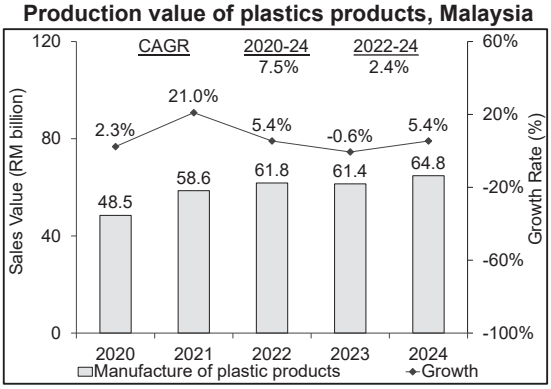
on plastics in general and PE in particular.

- Between 2020 and 2022, the Philippines' production value of plastic products grew at a CAGR of 20.3% to PHP141.1 billion in 2022. The growth was mainly attributed to the economic recovery following the implementation of containment measures related to the COVID-19 pandemic in 2020.

Production value of rubber and plastics products, India



Production value of plastics products, Malaysia



**Data is reported based on FY 1 April to 31 March. Note: Latest available information, and no further segmentation available (Source: Ministry of Statistics and Programme Implementation (MOSPI), India; Department of Statistics Malaysia (DOSM))*

- Between FY2021/22 and FY2023/24, India's production value of domestically manufactured plastic and rubber products grew at a CAGR of 8.0% to INR7.2 trillion in FY2023/24.

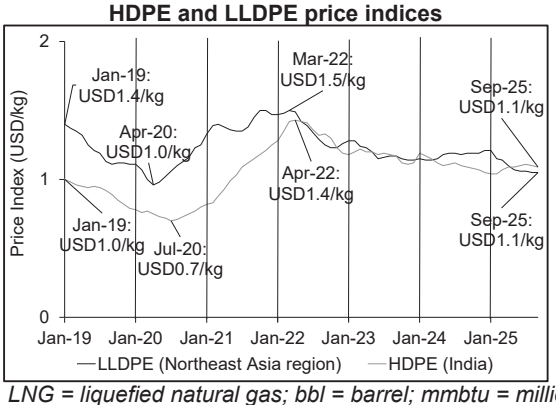
- Between 2022 and 2024, Malaysia's production value of domestically manufactured plastic products grew at a CAGR of 2.4% to RM64.8 billion in 2024. In H1 2025, Malaysia's production value of domestically manufactured plastic products declined by 0.8% to RM31.5 billion compared to H1 2024.

5. PRICING EFFECTS OF KEY INPUT MATERIALS

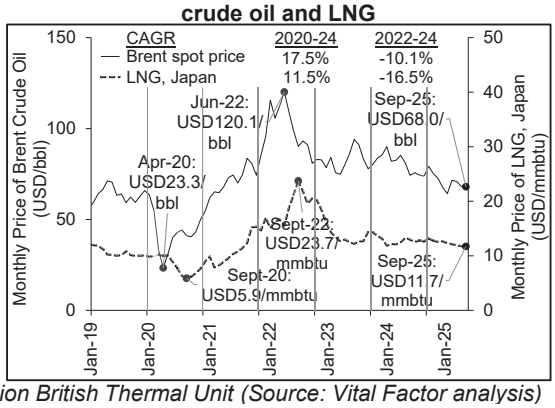
- PE resins are the key input material of PE powder. Polymer Link Group mainly sources HDPE and LLDPE resins from India and China, respectively. The India and Northeast Asia region price indices are used as indications for the respective price movements.

- Overall, the price indices of HDPE and LLDPE increased between 2020 and early 2022, mainly due to factors including, among others, supply chain disruptions and increased plastic product demand during the COVID-19 pandemic. Between late 2022 and 2024, the price indices of HDPE and LLDPE declined due to reduced demand due to the global economic slowdown.

HDPE and LLDPE price indices



Monthly global average prices of crude oil and LNG



LNG = liquefied natural gas; bbl = barrel; mmbtu = million British Thermal Unit (Source: Vital Factor analysis)

- Crude oil and natural gas are globally traded products, and their prices significantly impact activities relating to the upstream of the PE industry. Higher crude oil and natural gas may negatively impact the downstream sector as plastic products become more expensive, affecting demand for PE powder.

- Overall, the average Brent crude oil prices increased between 2020 and the first half of 2022, mainly due to, among others, production cuts agreed by Organization of Petroleum Exporting Countries (OPEC) and its allies including Russia (also known as OPEC+) until the end of 2020 to stabilise the global crude oil price, increased demand as the easing of containment measures relating to COVID-19 pandemic, as well as supply concerns arising from the Russian-Ukraine conflicts in early 2022.

- However, prices began declining in the second half of 2022 amid reduced demand and rising global oil supply, despite a brief spike in the third quarter of 2023 due to geopolitical concerns in the Middle East. In 2024, Brent crude oil prices fluctuated amid ongoing geopolitical risks and continued production cuts by selected OPEC+ countries. In early 2025, the prices declined, attributed to a drop in demand arising from trade tensions, compounded by the anticipated expansion in global oil supply. In June 2025, the Brent crude oil prices increased following the Israel-Iran conflict.

- Similarly, Japan's LNG prices declined in September 2020 due to reduced demand but rebounded in 2021 amid economic recovery and extreme weather events. Prices peaked in September 2022 after Russia curtailed gas supplies to Europe amid the Russia-Ukraine conflict, leading to increased demand for Japan's LNG. Subsequently, prices declined due to favourable winter weather and sufficient gas inventories

6. COMPETITIVE LANDSCAPE

- As of October 2025, there were 812 operators registered as members of the Malaysian Plastics Manufacturers Association. Ordinary members are companies in Malaysia as manufacturers of semi-finished or finished plastic products. There were 39, 31 and 23 operators, including Polymer Link Group, registered within the business lines for compounds, masterbatches and pigments, respectively. Some operators are registered in more than one business line.

- The selection criteria for the companies listed in the table below are:
  - involved in the manufacturing of PE powder;
  - having manufacturing facilities in the Philippines, India, or Malaysia; and
  - availability of the latest available financial information.

This is not an exhaustive list:

Companies	FYE[1]	Rev[2] (RM mil)	GP[2] (RM mil)	GP margin[2]	NP/(NL)[2] (RM mil)	NP/(NL) margin[2]
Polymer Link Group#	**Sep-24**	**145.4**	**40.0**	**27.5%**	**15.0**	**10.3%**
Malaysia operations						
Revolve Matrix Polymers Malaysia S/B	Dec-24	159.9	10.4	6.5%	3.3	2.0%
Lyondellbasell Advanced[3]	Dec-24	49.1	7.1	14.5%	(0.9)	(1.9%)
CP Powders S/B	Sep-24	57.9	n.a.	n.a.	0.1	0.2%
Philippines operations[4]						
D&L Polymer & Colours, Inc.[5]	Dec-24	241.0	67.9	28.2%	61.5	25.5%
Diversys Spectrum Products, Inc.	Dec-24	24.2	2.4	9.9%	0.7	2.7%
India operations[6]						
Rapid Engineering Co. Pvt Ltd	Mar-24	144.8	n.a.	n.a.	21.8	15.1%
Phychem Technologies Pvt Ltd	Mar-24	26.2	n.a.	n.a.	1.0	3.6%
Heera Roto Compounds Pvt Ltd	Mar-24	6.6	n.a.	n.a.	0.1	0.8%

[#]Polymer Link Group has operations in the Philippines, India and Malaysia; FYE = financial year ended; Rev = revenue; GP = gross profit; NP = net profit; NL = net loss; mil = million; Inc = Incorporated; Pvt Ltd = Private Limited; S/B = Sdn Bhd; n.a.= information not available.

Notes:

(1) Latest from annual reports, Companies Commission of Malaysia, Securities and Exchange Commission Philippines, Ministry of Corporate Affairs India, and Polymer Link Group.

(2) May include revenue from other business activities, products or services as no segmentation is available.

(3) Lyondellbasell Advanced Polyolefins (Malaysia) S/B. A subsidiary of LyondellBasell Industries N.V., a listed entity on the New York Stock Exchange.

(4) Conversion from PHP to RM based on Bank Negara Malaysia (BNM)'s exchange rate of PHP100 = RM7.9915 for 2024.

(5) A subsidiary of D&L Industries, a listed entity on the Philippine Stock Exchange.

(6) Conversion from INR to RM based on BNM's exchange rate of INR100 = RM5.5222 for 2023.

7. BARRIERS TO ENTRY

- The barriers to entry for new entrants to the polymer powder industry are moderate. They mainly include capital investment required for machinery and equipment, working capital for purchase of input materials and stocking finished goods, and technical expertise in using the right additives and ability to manufacture the desired grain size of PE powder suitable for the desired products. There are no onerous licences, regulations or restrictions governing the entry of new players.

- However, entry considerations into a particular industry or sector of an industry will also depend on the actual and potential demand from user industries, competitive forces mainly imports that affect supply conditions, and the competitive advantages and strengths of the new entrant.

8. INDUSTRY SIZE AND SHARE

- The industry size of the polymer powder industry and the market share of Polymer Link Group are estimated as below:

2024 – Manufacturing in Malaysia	Industry size[(a)] (RM million)	Polymer Link Group[(b)] (RM million)	Market share[(2)] (%)
Production value of PE in primary form	2,837	37.3[(1)]	1

Sources: (a) Vital Factor analysis; DOSM; (b) Polymer Link Group

(1) Based on Polymer Link Group's revenue from manufacturing plastic powder from its Malaysia operation for the financial year ended 30 September 2024.

(2) Polymer Link Group's revenue of plastic powder divided by their respective market sizes x 100%

9. INDUSTRY OUTLOOK AND PROSPECTS

Consideration factors impacting the outlook and prospects of the polymer powder industry:

- The polymer powder industry is closely linked to the plastic product sector, particularly the industries that use rotomolded plastic products and powder coatings. These products serve both consumer and industrial markets.

- As such, the demand for rotomolded and powder-coated products directly influences the outlook and growth prospects of the polymer powder industry. Key factors affecting demand include economic and social conditions in the countries where these products are used, which can impact both consumer and industrial spending.

- Economic conditions in the Philippines, India and Malaysia can affect the purchasing power and demand for plastic products in their respective countries.

  - **The Philippines**: The real GDP of the Philippines' economy grew by 5.7% in 2024, mainly contributed by increased import and export activities, financial and insurance activities, as

well as construction *(Source: Philippines Statistics Authority)*. In H1 2025, the real GDP of the Philippines' economy grew by 5.4% compared to H1 2024. Overall, in 2025, the country's real GDP is estimated to grow between 5.5% and 6.5%, reflecting the expected effect of structural reforms as well as ongoing domestic and global uncertainties. *(Source: Development Budget Coordination Committee, the Philippines).*

- **India**: The real GDP of India's economy grew by 6.5% in FY2024/25. For the first quarter (Q1) of FY2025/26, the real GDP of India's economy grew by 7.8% compared to Q1 FY2024/25. The real GDP of India's economy is expected to grow between 6.3% to 6.8% in FY2025/26. *(Source: MOSPI, India)*
- **Malaysia**: The real GDP of Malaysia's economy grew by 5.1% in 2024, mainly attributed to higher household spending, improved exports, and expansion in investment activities. In H1 2025, the real GDP of Malaysia's economy grew by 4.4% compared to H1 2024. Overall, Malaysia's real GDP is projected to grow between 4.0% and 4.8% in 2025, and between 4.0% and 4.5% in 2026, supported by resilient domestic demand amid external uncertainties, including restrictive trade practices and the escalation of geopolitical conflicts. *(Source: MoF)*

- Polymer Link Group also serves customers in Australia. In 2024, the real GDP of Australia's economy grew by 1.3%, following 1.5% growth in 2023. The modest growth in 2023 and 2024 was attributed to higher interest rates, cost-of-living pressures and weaker global economic conditions. In the second quarter (Q2) of 2025, the real GDP of Australia's economy grew by 1.8% compared to the same period in 2024, driven by domestic demand from household and government consumption. The growth was partly offset by a decline in public investment, while net trade added modestly due to stronger mining exports. *(Source: Australian Bureau of Statistics; The Treasury Australia)*

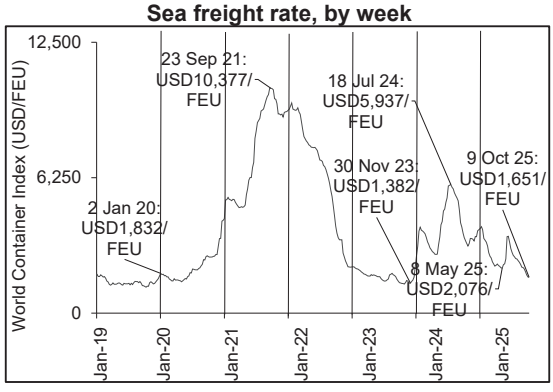
- Polymer Link Group also plans to increase its sales activities in Poland. In 2024, the real GDP of Poland's economy grew by 2.9%, following a modest 0.2% growth in 2023. The growth in 2024 was driven by an increase in household consumption expenditure, which rebounded after the economic slowdown caused by the Russia-Ukraine conflict that began in 2022. In Q2 2025, the real GDP grew by 3.4% compared to Q2 2024. *(Source: Statistics Poland)*

- Growing concerns about plastic pollution and environmental impact may drive regulatory changes and consumer preferences, pushing the polymer powder industry towards more sustainable practices. This may dampen demand for plastic products and, consequently, demand for plastic powder, including PE powder. Environmentally friendly options, such as biodegradable or recycled PE powders, could drive future growth.

- Fluctuations in the prices of crude oil, LNG and plastic resins can significantly affect the price of PE powder, thus affecting its demand. In addition, high sea freight rates may affect production and delivery costs, hence affecting PE powder's final price. The sea freight rate has been high since 2020, reaching its peak in September 2021, mainly due to the global supply chain disruption prompted by the COVID-19 pandemic and the US-China trade war.

- In 2024, the sea freight rate increased to USD5,937/FEU on 18 July 2024, mainly due to geopolitical tensions, including attacks on cargo ships in the Red Sea, which forced vessels on longer detours and led to a reduction in vessel capacity between Asia and Europe, as well as congestion at key Asian ports. The sea freight rate declined 72.2% to USD1,651/FEU on 9 October 2025.

Sea freight rate, by week



(Source: Vital Factor analysis)

9. RISK FACTORS

BEFORE INVESTING IN OUR SHARES, YOU SHOULD PAY PARTICULAR ATTENTION TO THE FACT THAT, WE AND, TO A LARGE EXTENT, OUR BUSINESS AND OPERATIONS ARE SUBJECT TO LEGAL, REGULATORY AND BUSINESS RISKS WHERE WE OPERATE. OUR OPERATIONS ARE ALSO SUBJECT TO A NUMBER OF FACTORS, MANY OF WHICH ARE OUTSIDE OUR CONTROL. BEFORE MAKING AN INVESTMENT DECISION, YOU SHOULD CAREFULLY CONSIDER, ALONG WITH THE OTHER MATTERS IN THIS PROSPECTUS, THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW.

9.1 RISKS RELATING TO OUR BUSINESS

9.1.1 We are dependent on our major customers who collectively contributed more than 54.6% of our total revenue during the FPE 2025 and losing 1 or both of these major customers may affect our financial performance

We are dependent on Outback Philippines and the OK Play Group, our 2 largest customers during the Period Under Review, due to their respective revenue contributions which exceeded 10.0% of our total Group revenue. The revenue contribution from these customers during the Period Under Review is summarised in the following table:

	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	**%[(1)]**	**RM'000**	**%[(1)]**	**RM'000**	**%[(1)]**	**RM'000**	**%[(1)]**
Outback Philippines	81,768	54.0	56,932	42.9	57,334	39.4	43,809	41.1
OK Play Group[(2)]	21,952	14.5	28,349	21.3	22,189	15.3	14,363	13.5
Sub-total	**103,720**	**68.5**	**85,281**	**64.2**	**79,523**	**54.7**	**58,172**	**54.6**
Total Group revenue	**151,356**	**100.0**	**132,844**	**100.0**	**145,360**	**100.0**	**106,626**	**100.0**

Notes:

(1) As a percentage of total Group revenue.

(2) OK Play Group comprised OK Play India Limited and OK Play Auto Limited.

Notwithstanding our business relationships with Outback Philippines and the OK Play Group of 10 years and 5 years respectively as at the LPD, there is no assurance that they will continue to be our major customers or that we can maintain their revenue contributions in the future.

In addition, we are exposed to concentration risks as the collective revenue contribution of our top 5 major customers collectively amounted to 82.4%, 77.4%, 70.5% and 67.7% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. Please refer to **Section 7.16** of this Prospectus for additional information on our top 5 major customers.

Further, in relation to Outback Philippines, we have entered into a supply agreement with Outback Philippines for the supply of specific compounded plastic powder. The duration of the supply agreement with Outback Philippines is 3 years which commenced on 6 December 2017, with an automatic renewal for 1 additional year on each anniversary of the date of signing. Under the said supply agreement, either party may elect not to renew the supply agreement by providing the other party with a prior written notice of no less than 3 months before the anniversary of the date of signing. There is no assurance that Outback Philippines will renew the supply agreement in future. Please refer to **Section 7.18** of this Prospectus for the salient terms of the supply agreement. In relation to the OK Play Group, we do not have a subsisting supply agreement with the OK Play Group as our sales to OK Play Group are based on purchase orders and there is no obligation for them to place orders.

Our financial performance may be adversely affected if we lose any 1 of these major customers, or if they reduce their purchases of our products for whatever reason, and we fail to promptly replace the loss of these major customers or shortfall in revenue.

9. RISK FACTORS *(Cont'd)*

9.1.2 Our business and financial performance are dependent on our ability to continually secure purchase orders to sustain our business

All our revenues are through the issuance of purchase orders from customers. We do not have any contract that assures purchases of our products continuously over an extended period such as 1 or more years. Our purchase orders are commonly for single delivery for the stated product, quantity and value.

In this respect, our business and financial performance is dependent on our ability to continually secure purchase orders from our customers. If we are unable to continually secure new purchase orders in sufficient numbers and value, this would adversely affect our sustainability and future financial performance.

9.1.3 Our financial performance may be affected by unfavourable foreign currency exchange rate fluctuations

Our Group's reporting currency is RM while the functional and reporting currencies of our subsidiary companies in the Philippines, India, Australia and USA are PHP, INR, AUD and USD respectively.

The breakdown of our revenue transacted in RM and foreign currencies during the Period Under Review is summarised in the following table:

	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
Currency	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
RM	**13,551**	**9.0**	**9,236**	**7.0**	**10,916**	**7.5**	**6,889**	**6.5**
Foreign currencies	**137,805**	**91.0**	**123,608**	**93.0**	**134,444**	**92.5**	**99,737**	**93.5**
USD	96,679	63.9	74,706	56.2	83,039	57.1	57,857	54.3
INR	37,097	24.5	45,196	34.0	36,725	25.3	25,273	23.7
AUD	-	-	-	-	10,576	7.3	13,038	12.2
PHP	3,867	2.5	3,417	2.6	4,104	2.8	3,324	3.1
Pound Sterling	162	0.1	289	0.2	-	-	245	0.2
Total Revenue	**151,356**	**100.0**	**132,844**	**100.0**	**145,360**	**100.0**	**106,626**	**100.0**

The breakdown of our purchases transacted in RM and foreign currencies during the Period Under Review is summarised in the following table:

	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
Currency	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
RM	**11,151**	**10.3**	**14,785**	**18.6**	**13,795**	**15.4**	**7,842**	**13.3**
Foreign currencies	**97,231**	**89.7**	**64,860**	**81.4**	**75,669**	**84.6**	**50,994**	**86.7**
USD	69,306	63.9	38,896	48.8	57,876	64.7	39,133	66.5
INR	27,917	25.8	25,963	32.6	17,680	19.8	10,957	18.6
PHP	3	*	-	-	17	*	-	-
Others[(2)]	5	*	1	*	96	0.1	904	1.6
Total Purchases	**108,382**	**100.0**	**79,645**	**100.00**	**89,464**	**100.00**	**58,836**	**100.0**

Notes:

* Less than 0.1%

(1) Others comprise AUD and Chinese Yuan.

9. RISK FACTORS *(Cont'd)*

As at the LPD, we do not have any foreign currency forward hedging contracts.

Based on the above, we are exposed to the following:

- our subsidiaries in Malaysia receive payments from customers in Malaysia and pay suppliers in Malaysia in RM, and receive payments from customers in other countries and pay suppliers in other countries mainly in USD;
- our subsidiaries in the Philippines receive payments from our customers in the Philippines mainly in USD and also in PHP, and pay suppliers in other countries mainly in USD;
- our subsidiary in India receives payment from our customers in India and pays for our suppliers in India mainly in INR;
- our subsidiaries in Malaysia, the Philippines and India receive payments from our customers outside of their respective countries mainly in USD, and pay our suppliers outside of their respective countries mainly in USD;
- our subsidiary in Australia mainly receives payments from our customers in Australia in AUD, and pays their suppliers in USD;
- our subsidiary in the USA mainly receives payments from our customers in the USA in USD, and pays their suppliers in USD; and
- foreign currency exchange gains or losses arise when our assets, liabilities, revenue and profits that are recorded by our subsidiaries in the Philippines, India, Australia and the USA are translated from PHP, INR, AUD or USD respectively into RM for financial reporting and repatriation of profits purposes.

As we are unable to ascertain the future movements of foreign currency exchange rates and estimate their impact on our revenue and earnings, any fluctuations in foreign currency exchange rates, particularly the USD, INR, PHP and AUD relative to RM, may have a material impact, whether positively or negatively, on our financial condition and results of operations.

During the Period Under Review, our gains or losses on foreign currency exchange are summarised in the following table:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FPE 2025**
	(RM'000)	**(RM'000)**	**(RM'000)**	**(RM'000)**
Realised gain/(loss) on foreign exchange[(1)]	610	(1,023)	(82)	(464)
Unrealised gain/(loss) on foreign exchange[(2)]	(523)	601	737	430
Net gain/(loss) on foreign exchange	**87**	**(422)**	**655**	**(34)**

Notes:

(1) Realised gain/(loss) on foreign exchange is calculated based on the following:

(i) the difference in the foreign exchange rate as at the date of our sales invoices as compared to the foreign exchange rate when the payment for the sales invoices are received; and

(ii) the difference in the foreign exchange rate as at the date of our purchase invoices of supplies as compared to the foreign exchange rate when the payment for the supplies are made.

(2) Unrealised gain/(loss) on foreign exchange represents the difference in the foreign exchange rate as at the date of our sales invoices and purchase invoices as compared to the closing rates of foreign exchange as at FYEs 2022, 2023, and 2024 and FPE 2025 respectively.

9. RISK FACTORS *(Cont'd)*

9.1.4 We are dependent on certain suppliers, and any disruptions in their supply could impact on our business operations

Our business is dependent on certain suppliers, particularly the GC Group and Reliance Industries Limited, each of which accounted for more than 10.0% of our total purchases of materials and services during the Period Under Review save for FPE 2025.

GC Group, which is based in Thailand, provided plastic resins that represented 34.5%, 34.9%, 51.6%, and 61.1% of our total purchases for the FYEs 2022, 2023, and 2024 and FPE 2025 respectively. Reliance Industries Limited which is based in India, also provided plastic resins, which accounted for 13.9%, 16.8%, 11.0%, and 8.0% of our total purchases for the FYEs 2022, 2023 2024 and FPE 2025 respectively.

We have a subsisting sale agreement dated 25 December 2024 with PTTGC for the sale and purchase of LLDPE InnoPlus Resin. Under the said sale agreement, if either party defaults on any express obligation under the sale agreement such as delivery of the products by PTTGC and payment to be made by Polymer Link Malaysia, the non-defaulting party may issue a written notice requiring the defaulting party to remedy the breach within 30 days, failing which both parties shall mutually agree on the effective termination date, which will be specified in the written notice to the defaulting party. There is a risk that the sale agreement may not be renewed or may be terminated in the event of default by our Group and if such default is not remedied within the stipulated timeframe. Please refer to **Section 7.18** of this Prospectus for the salient terms of the sale agreement. For the avoidance of doubt, as at the LPD, our transactions with Reliance Industries are based on purchase orders and there is no obligation for them to accept our Group's orders.

Any disruption in the supply of plastic resins from these suppliers could significantly impact our operations, as plastic resins are a key input material in the production of plastic powder.

While we maintain a stock of plastic resins sufficient for 2 to 3 months of production at our Malaysia, Philippines, and India factories. However, there is no assurance that this buffer stock will be enough to withstand extended disruptions in supply.

As at the LPD, we have been sourcing materials from the GC Group and Reliance Industries Limited for approximately 6 years and 5 years respectively. While this longstanding relationship provides some confidence in their continued supply, there is no assurance that they will continue to remain our suppliers in the future.

Additionally, while the plastic resins purchased from GC Group and Reliance Industries Limited are commodity materials and could be sourced from other suppliers, there is no assurance that we would be able to obtain the same quality, price, or timely delivery from alternative sources in the event of disruptions.

During the Period Under Review, we sourced similar types of plastic resins from 11 other suppliers, in addition to GC Group and Reliance Industries Limited. However, there is no assurance that these suppliers could provide us with plastic resins of comparable quality or at similar prices and delivery timelines, should an interruption occur with GC Group and Reliance Industries Limited.

9.1.5 We may be negatively affected by the USA Tariffs

The USA government imposed the USA Tariffs on imported goods, including from Malaysia and India. Certain products imported into the USA are exempted from these tariffs. There is a risk that the USA Tariffs may directly or indirectly reduce demand for our products.

The USA (based on the customer's address on the invoice) accounted for 1.4%, 1.1%, 3.2% and 1.7% of our total revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. As at the LPD some of the products that we exported to the USA, such as plastic powder for specialty applications to manufacture diesel fuel tanks, are subject to the USA Tariffs. There is a risk that we may not be able to increase or continue to export products that are subject to the USA Tariffs to the USA.

9. RISK FACTORS *(Cont'd)*

In addition, we may be indirectly affected by the USA Tariffs if our customers reduce or stop purchasing plastic powders from us because the USA Tariffs make our customer's products uncompetitive to export to the USA.

There can be no assurance that demand for our plastic powders will not be directly or indirectly reduced due to the USA Tariffs. Furthermore, although our plastic powders for general application are currently exempted from the USA Tariffs, there can be no assurance that they will continue to be exempted in the future.

9.1.6 Disruptions of our manufacturing operations may affect our financial performance

The manufacturing operations at our factories may be disrupted by events such as, among others, supply chain disruptions, fire, flood and other natural disasters, breakdowns in manufacturing machinery and equipment, disruptions in the supply of electricity, water and other utilities, and labour shortages or disputes. Such disruptions may result in failure to meet our customer's delivery schedules and may lead to the cancellation of orders, loss of customers or damage to our reputation. This may adversely affect our financial performance.

We implement standardised production planning procedures to manage manufacturing operations at all of our factories. Our production planning involves scheduling manufacturing operations at each factory over the coming 3 months based on confirmed purchase orders and delivery schedules, as well rolling forecasts from some customers, where relevant. This helps us to allocate resources and procure input materials to meet our customer's delivery schedules.

During the Period Under Review and up to the LPD, our Malaysia Factory has not experienced any events that have resulted in a material disruption in its manufacturing operations.

Our Philippines Factory and India Factory have experienced electricity cut-offs due to problems relating to the power generation, transmission or distribution from the utility company which resulted in temporary shutdowns of our manufacturing operations. The electricity cut-offs are scheduled in nature (where the cut-off is planned by the utility company and we are informed ahead of time) or unscheduled (where we receive no warning). Scheduled electricity cut-offs do not disrupt our manufacturing operations as we make adjustments ahead of time. However, unscheduled electricity cut-offs can interrupt manufacturing operations as they occur without warning and we cannot make adjustments ahead of time. Electricity is normally restored within 2 hours, although there were 5 occasions when the electricity cut-off lasted for between 3 hours and 19 hours. The number of electricity cut-offs experienced by our Philippines Factory and India Factory during the Period Under Review and up to the LPD is summarised in the following table:

	FYE 2022		**FYE 2023**		**FYE 2024**	
	No. of cut-offs	**Approximate duration**	**No. of cut-offs**	**Approximate duration**	**No. of cut-offs**	**Approximate duration**
Unscheduled	2	1 hour	21	23 hours 57 minutes	8	12 hours 45 minutes
Philippines Factory	*2*	*1 hour*	*1*	*30 minutes*	*7*	*11 hours 45 minutes*
India Factory	*-*	*-*	*20*	*23 hours 27 minutes*	*1*	*1 hour*
Scheduled	1	3 hours	3	18 hours 10 minutes	4	18 hours 1 minute
Philippines Factory	*-*	*-*	*-*	*-*	*1*	*6 hours*
India Factory	*1*	*3 hours*	*3*	*18 hours 10 minutes*	*3*	*12 hours 1 minute*
Total	**3**	**4 hours**	**24**	**42 hours 7 minutes**	**12**	**30 hours 46 minutes**

9. RISK FACTORS *(Cont'd)*

	FPE 2025		1 July 2025 and up to the LPD	
	No. of cut-offs	**Approximate duration**	**No. of cut-offs**	**Approximate duration**
Unscheduled	8	5 hours 7 minutes	6	25 hours 52 minutes
Philippines Factory	*-*	*-*	*-*	*-*
India Factory	*8*	*5 hours 7 minutes*	*6*	*25 hours 52 minutes*
Scheduled	6	44 hours 53 minutes	1	5 hours 47 minutes
Philippines Factory	*1*	*9 hours*	*-*	*-*
India Factory	*5*	*35 hours 53 minutes*	*1*	*5 hours 47 minutes*
Total	**14**	**50 hours**	**7**	**31 hours 39 minutes**

Although the manufacturing operations at our Philippines Factory and India Factory were interrupted by unscheduled electricity cut-offs during the Period Under Review, our manufacturing operations were not materially affected and we have always been able to meet our customers' delivery schedules.

In addition, our Philippines Factory has experienced temporary shutdowns of our manufacturing operations due to natural disasters such as typhoons. The number of temporary shutdowns experienced by our Philippines Factory during the Period Under Review and up to the LPD is summarised in the following table:

	FYE 2022		FYE 2023		FYE 2024	
	No.	**Approximate duration**	**No.**	**Approximate duration**	**No.**	**Approximate duration**
Typhoon	-	-	-	-	1	12 hours
Total	**-**	**-**	**-**	**-**	**1**	**12 hours**

	FPE 2025		1 July 2025 and up to the LPD	
	No.	**Approximate duration**	**No.**	**Approximate duration**
Typhoon	1	12 hours	-	-
Total	**1**	**12 hours**	**-**	**-**

During the Period Under Review and up to the LPD, electricity cut-offs and natural disasters have not materially disrupted the manufacturing operations of our Malaysia Factory, Philippines Factory and India Factory, and we have always met our customers' delivery schedules. Nevertheless, there can be no assurance that electricity cut-offs, natural disasters, or other events outside of our control will not materially disrupt our manufacturing operations in a manner that would result in our missing a customer's delivery schedules, and consequently adversely affect our financial performance in the future.

9. RISK FACTORS *(Cont'd)*

9.1.7 Our manufactured plastic powder may be rejected by our customers which may affect our financial performance

We manufacture plastic powder according to specifications that have been agreed with the customer. Our customers may reject our products if they are found to be in non-compliance with their specifications. Our customer will inform us and we will work together to identify and rectify the cause of the problem. During the Period Under Review, the main cause of rejected products was contamination of the plastic powder by particles.

We will issue a credit note to the customer for an agreed amount, which will offset any outstanding trade receivables that the customer may have with us and/or offset purchases that the customer makes from us in the future. The value of credit notes issued to customers in relation to rejected plastic powder amounted to RM0.10 million, RM0.19 million, RM0.01 million and RM0.11 million for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. Subsequent to the FPE 2025, as at the LPD, the value of credit notes in relation to rejected plastic powder issued to our major customer, Outback Philippines, amounted to approximately RM0.20 million, RM0.02 million and RM0.02 million for plastic powder sold in FYEs 2023, 2024 and 2025 respectively. As this amount had only been mutually agreed by both parties in FYE 2025, our Group will recognise the aggregate RM0.24 million only in FYE 2025. Although the value of credit notes issued in relation to rejected products was not material during the Period Under Review, there can be no assurance that they will not increase in the future.

We implement quality control measures to help ensure that the goods that we deliver to our customers are in accordance with their specifications. However, there can be no assurance that our customers will not reject the goods that we deliver to them.

9.1.8 We are subject to credit risk related to our customers

We are subject to credit risk from customers to whom we have granted credit. During the Period Under Review, our trade terms with our customers are cash terms or credit terms of up to 90 days. We had trade receivables turnover period of 56 days, 62 days, 62 days and 68 days for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. These periods fall within our normal credit terms.

We may have to write off bad debts or provide for impairment losses if our customers do not pay us within the stipulated credit period. This would have an adverse effect on our financial performance. Save for bad debts written off amounting to RM2,465 for FYE 2023 and RM28,811 for FYE 2024, we have not recognised any other bad debts written off during the Period Under Review. Save for net impairment losses on trade receivables of RM0.01 million for FYE 2023 and RM0.14 million for FYE 2024, we have not recognised any other net impairment losses on trade receivables during the Period Under Review.

Although the bad debts written off and net impairment losses on trade receivables were not material for the Period Under Review, there can be no assurance that they will not have an adverse impact on our financial performance in the future.

9.1.9 We cannot ensure the success of our business strategies and plans

Our business strategies and plans to grow our business include the following:

- we plan to expand our Australia operations by setting up the Australia Warehouse in rented premises in Brisbane, hiring 1 additional employee, and allocating additional working capital, which will be funded through approximately RM5.0 million of our IPO proceeds;
- we plan to use approximately RM3.6 million of our IPO proceeds to purchase new machinery and equipment comprising additional plastic powder and masterbatch manufacturing lines, quality control testing and R&D testing equipment, and other expenditure; and
- we plan to allocate approximately RM4.5 million of our IPO proceeds as additional working capital to expand sales to customers in Poland.

Please refer to **Section 7.19** of this Prospectus for further details on our strategies and plans.

9. RISK FACTORS *(Cont'd)*

There is a risk that setting up Australia Warehouse may cost more and/or take longer than anticipated, and there is also a risk that hiring additional employees in Australia will cost more than anticipated. Similarly, there is a risk that the actual cost of purchasing the new machinery and equipment will be higher than budgeted, and/or installing and bringing them into operation will take longer than anticipated. Furthermore, there is no guarantee that the allocation of additional working capital allocated to Australia and/or Poland will result in the anticipated increases in sales, and/or that these additional sales will be profitable.

Consequently, there can be no assurance that we will successfully implement our business strategy and plans. Delays or failure to implement our business strategy may adversely affect our future business development and financial performance.

9.1.10 We must comply with the relevant HSE laws and regulations and any work place accidents or non-compliance may interrupt our operations

We must comply with the relevant HSE laws and regulations that govern the manufacturing operations at our Malaysia Factory, Philippines Factory, and India Factory. Our manufacturing activities at these factories involve the operation of machinery and equipment to manufacture plastic powder for general applications and specialty applications. We also operate forklifts and other equipment to handle input materials, work-in-progress goods, and finished goods at our factories. The operation of many of these machinery and equipment are subjected to HSE laws and regulations that are concerned with the health and safety of workers and the effect that our manufacturing operations may have on the environment.

In the event of a workplace accident or non-compliance with applicable HSE laws and regulations, it could lead to the suspension or restriction of manufacturing operations at the affected factory, as well as the imposition of financial, administrative, or other penalties.

During the Period Under Review and up to the LPD, there has not been any workplace accident or failure to comply with the applicable HSE laws or regulations at any of our factories that has resulted in a material interruption to our manufacturing operations at the respective factory. However, there can be no assurance that the manufacturing operations at any of our factories will not be materially interrupted by a workplace accident or failure to comply with the applicable HSE laws or regulations in the future.

9.1.11 Our competitiveness may be adversely affected if our formulations are made known to third-parties without our permission

The plastic powders we manufacture for both general and specialised applications are based on formulations developed in-house and are therefore exclusive to us. We have not obtained patents or intellectual property protection for our formulations as filing an application would require our Group to publicly disclose information relating to our formulations and methods. There is a risk that 1 or more of these formulations could be unknowingly disclosed to or stolen by third parties, which may harm our competitiveness. If competitors were to obtain these formulations without our knowledge or consent, they might use them to produce similar products and offer them to our existing or potential customers at lower prices. Alternatively, they could leverage this knowledge to enhance their own products.

Since the inception of our Group and up to the LPD, we are not aware of any instances where any of our formulations have been divulged to or stolen by third-parties. Nevertheless, there can be no assurance that our formulations will not fall into the hands of third-parties in the future.

9.1.12 Our business operations may be disrupted by the interruption in plastic resin supply

Our business operations depend on a consistent supply of plastic resin from our suppliers. If there is a disruption in this supply, we are required to inform our customers of any changes to the composition of the plastic powder we supply, including changes in the source of plastic resin. If a customer does not agree to the change, we may need to modify the formulation by sourcing resin from alternative suppliers and adjusting the additives and/or masterbatch used.

9. RISK FACTORS *(Cont'd)*

This process could delay delivery beyond the customer's schedule due to the time needed for successful formulation adjustments. Additionally, there is no assurance that the customer will approve the modified formulation. The revised formulation may also result in higher manufacturing costs, and there is no assurance that the customer will accept the increased price.

During the Period Under Review and up to the LPD, we did not experience any supply interruptions requiring us to notify customers of changes to the product composition. However, there is no assurance that such interruptions will not occur in the future.

9.1.13 Our insurance coverage may not be sufficient to cover all losses or liabilities that may arise from our business operations and are subject to renewal

Carrying out our business operations at our Malaysia Factory, Philippines Factory and India Factory involves risks and hazards including, but not limited to, workplace and other accidents, fire, flood and other natural disasters. To protect against losses and liabilities arising from these risks and hazards, we maintain general insurance coverage for our business operations as a whole at levels that we believe are customary to the nature of our business. We maintain insurance policies covering, amongst others, comprehensive general liability, and workmen's compensation, where required by law. Notwithstanding our insurance coverage, our financial performance may be adversely affected if we suffer losses or liabilities from events that are not covered by our insurance policies, or if the losses or liabilities incurred exceed our insurance claim limits.

All of our insurance policies must be renewed periodically and may be subject to changes in the insurance premium, terms and/or claim limits. If there is a significant increase in the premium on any insurance policy, we may incur higher costs to maintain our insurance coverage at the same level or we will have to reduce the level of our insurance coverage. There is also a risk that we are unable to renew or replace our insurance policies when they expire.

During the Period Under Review, we did not incur any material losses or liabilities that were claimable against our insurance policies. For clarity, the typhoon in FYE 2024 did not cause any damage to the Philippines Factory that required significant repairs, and we did not experience any losses or liabilities claimable against our insurance policies in relation to the typhoon. However, there is no assurance that we will not incur material losses or liabilities that are claimable against our insurance policies in the future.

9.1.14 Fluctuations and increases in the prices of input materials may adversely affect our business and financial performance

The main input materials that we purchase for our manufacturing of plastic powder operations are plastic resin (mainly PE resin, including LLDPE and HDPE), additives and masterbatch. The value of our Group's overall purchases of these input materials during the Period Under Review is summarised in the following table:

	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	**%(1)**	**RM'000**	**%(1)**	**RM'000**	**%(1)**	**RM'000**	**%(1)**
Plastic resin	92,766	85.6	69,933	87.8	74,668	83.5	50,714	87.7
Additives	2,535	2.3	4,174	5.2	12,640	14.1	6,710	11.4
Masterbatch	8,077	7.5	1,213	1.5	555	0.6	431	0.7
Sub-total	**103,378**	**95.4**	**75,320**	**94.5**	**87,863**	**98.2**	**57,855**	**99.8**

Note:

(1) As a percentage of total Group purchases of materials and services.

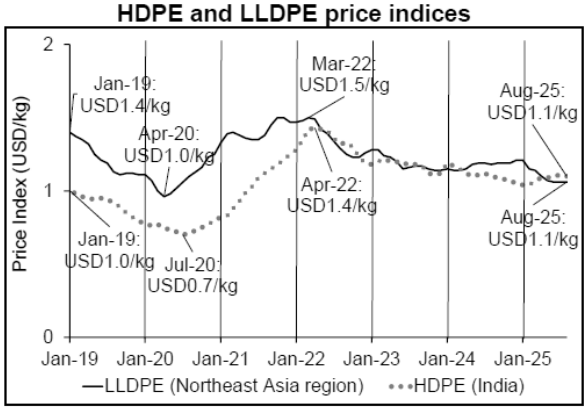
9. RISK FACTORS *(Cont'd)*

Petroleum products are the main feedstock used in producing the following:

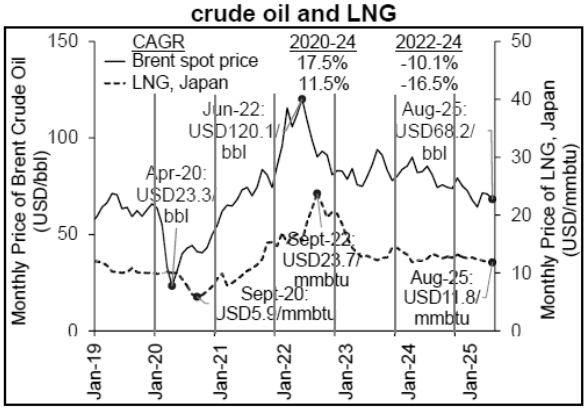
- plastic resins such as PE;
- additives such as plasticisers and stabilisers; and
- carrier plastic resins such as PE used in masterbatch.

As a result, the prices of these input materials are influenced by the price of petroleum. There is a risk that a sustained increase in the price of petroleum may result in a sustained increase in the prices of these input materials. In addition, PE resins are a globally traded commodity whose prices are subjected to market fluctuations that are beyond our control. A sustained increase and/or adverse fluctuations in the prices of the input materials that we purchase can harm our financial performance.

HDPE and LLDPE price indices



Monthly global average prices of crude oil and LNG



LNG = liquefied natural gas; bbl = barrel; mmbtu = million British Thermal Unit (Source: Vital Factor analysis)

We are normally able to pass on all or part of the increases in the prices of input materials to our customers as the prices that we quote to them are based on the prevailing market price of the plastic resin, additives and/or masterbatch required to fulfil their order, plus our margin. Our price quote is valid for between 14 days and 20 days, after which the price quote will expire. If our customer accepts our price quote and issues a purchase order to us, we will place the order for the required input materials to our suppliers. This reduces the risk of adverse fluctuations in the prices of input materials on our financial performance. During the Period Under Review, we were able to pass on increases in the prices of input materials to our customers. However, there can be no assurance that we will continue to do so in the future.

During the Period Under Review, there were no occasions where increases in the prices of input materials between our submission of the quotation and purchases of our input materials resulted in an adverse effect on our financial performance. However, there can be no assurance that prices would not have increased between our submission of the quotation and purchases of our input materials, which would affect our financial performance. In addition, there is no assurance that we will successfully pass on increases in the prices of input materials to our customers.

We also manufacture plastic powder for our customers on a toll manufacturing basis, whereby all of the required input materials are supplied to us by the customer. As a result, our toll manufacturing is not affected by increases or fluctuations in input materials.

9.1.15 We are dependent on our Directors and key senior management

We are dependent on the experience, technical knowledge, and sales and marketing expertise of our Executive Vice Chairman/President & Group Chief Executive Officer, Koh Song Heng, who is important to our Group's overall sustainability, development and growth. We are also dependent on our key senior management team for their experience, technical knowledge and expertise in their respective areas of responsibility, namely Koh Tat Chuan (our Group Senior Vice President), Koh Tat Wei (our Head of Supply Chain & Administration), Low Jun Hoong (our Group Financial Controller) and Jagroop Singh Gill (our Director of Polymer Link India).

9. RISK FACTORS *(Cont'd)*

If we lose 1 or more of our Directors and key senior management and we are unable to hire a suitable replacement promptly, it may negatively impact our business operations and financial performance. Please refer to **Sections 5.2.1** and **5.4.1** of this Prospectus for more information on the profiles of our Directors and key senior management.

9.1.16 We are subject to the demand of our customers' end-user markets

Our business is dependent on the performance of our customers' end-user markets as our manufactured plastic powders are intermediate products. Some of the factors that may affect the performance of our customers' end-user markets include political, economic, social and regulatory factors, changes in technology, changes in market trends and consumer preferences, and the introduction of new products that replace our customers' products.

A sustained decline in our customers' end-user markets could result in reduced demand for our manufactured plastic powders, which could adversely affect our sustainability, financial performance and growth prospects.

In FYE 2023, revenue from our major customer, Outback Philippines, decreased by approximately RM24.8 million which contributed towards a decrease in our revenue from General Powder by approximately RM23.5 million and total revenue by approximately RM18.5 million. There can be no assurance that demand for our manufactured plastic powders will not decrease in the future due to sustained declines in our customers' end-user markets.

9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 We are subject to the risk of competition from manufacturers of similar products

We face competition from competitors that manufacture plastic powders that are similar to ours. As we manufacture plastic powder in Malaysia, the Philippines and India, we face competitors based in the respective countries, as well as foreign competitors who can export their products.

We also face cost competition where the key input materials are plastic resins, such as PE, which are globally traded commodities. As such, manufacturers who are able to purchase these input materials at sustained lower cost due to factors such as favourable exchange rates, better commercial terms from suppliers, and economy of scale could have a cost advantage. In addition, manufacturers supplying to domestic buyers could have an advantage from lower transportation cost for their finished products.

As such, there is no assurance that competition from existing competitors and/or new entrants, domestically and globally will not have a material adverse effect on our business and financial performance.

9.2.2 We are subject to economic, social, political and regulatory risks, as well as the occurrence of force majeure events in the countries where we operate

Any adverse changes in the political, social, economic and regulatory conditions in the countries where we operate, namely Malaysia, the Philippines, India, Australia and USA, may harm our business operations and financial performance. Our business is also susceptible to the risks of force majeure events that disrupt our business operations and adversely affect our financial performance.

Changes in the political, social, economic and regulatory conditions could be in the form of, among others, changes in political leadership, geopolitical events, economic factors such as inflation, deflation, unemployment and business and consumer spending trends, expropriation or nationalisation of assets, fiscal and monetary policies such as fluctuations in interest rates, methods of taxation, tax policies and foreign worker levy, changes in trade policy including the imposition of tariffs, changes in international relationships and other events that may influence consumer and business confidence and spending. Examples of force majeure events that may have a negative impact on our business operations include, among others, the emergence of epidemics or pandemics, acts of terrorism, wars and other conflicts, riots, and natural disasters.

9. RISK FACTORS *(Cont'd)*

Demand for our customers' products and/or services and their business operations may also be affected by changes in economic, social, political and regulatory conditions and force majeure events. Thus, our prospects are also indirectly affected by these factors through their effect on our customers.

Political, social, economic and regulatory conditions in the countries where we operate and force majeure events are beyond our control. Consequently, there can be no assurance that our business operations and financial performance will not be affected by them in the future. For instance, our Group through Polymer Link Philippines is currently operating in a Free Trade Zone ("**FTZ**") in the Philippines which offers several benefits, including preferential tax rates, exemptions from certain duties and tariffs, and simplified customs procedures, which help reduce operating costs and increase overall efficiency. These advantages enhance our competitiveness in the region, providing us with a strategic edge in terms of cost-effectiveness and market access. However, the regulatory framework governing FTZs in the Philippines is subject to change, and any alterations in the provisions, such as changes in tax incentives, customs regulations, or eligibility criteria, could have a significant impact on our financial performance. A shift in the regulatory landscape could lead to higher operational costs, reduced benefits, or even the loss of FTZ privileges, which may negatively affect our Group's profitability and overall business operations.

9.3 RISKS RELATING TO INVESTMENT IN OUR SHARES

9.3.1 No prior market for our Shares on the ACE Market and it is uncertain whether an active or sustainable market will ever develop

Our Company was listed on the LEAP Market of Bursa Securities on 27 April 2018 but was voluntarily delisted on 9 December 2020.

Pursuant to the circular to shareholders in relation to proposed voluntary withdrawal of our Group's listing from the official list of the LEAP Market of Bursa Securities dated 13 October 2020, the delisting is to accord our Company greater flexibility as a private entity to streamline the business operations, which may include, inter alia, restructuring of the entities within our Group in implementing strategies to realise our long-term growth potential.

Further, our Promoters are cognisant of the liquidity of our Shares that were being traded then, which has been at a relatively low level over a prolonged period. Since our listing on the LEAP Market of Bursa Securities on 27 April 2018, we note that only 73,000 Shares, 20,000 Shares and 1,000 Shares were traded in the open market in the months of April 2018, April 2020 and July 2020 respectively. As such, our Promoters were of the view that such low liquidity from being listed on the LEAP Market of Bursa Securities would hinder our Company's ability to raise additional funds from the public equity market, which no longer serves as a viable source of funding for developing our Group's businesses.

It has been the intention of our Company to list on the ACE Market of Bursa Securities, a market with a wider number of investors, for the following reasons:

(i) to establish liquidity for our Shares by the listing of and quotation for our entire issued share capital on the ACE Market of Bursa Securities;

(ii) to provide an opportunity for the Malaysian Public, including our eligible Directors, key senior management and employees to participate in our equity;

(iii) to enable our Group to raise funds for the purposes specified in **Section 4.6** of this Prospectus;

(iv) to enable our Group to expand our business to new and existing markets;

(v) to enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue further growth opportunities as and when they arise; and

(vi) to gain recognition through our listing status which will enhance our Group's reputation in the marketing of our products and services, retention of our employees, expand our customer base and to attract new employees.

Prior to our Listing, there has been no prior public market for our Shares on the ACE Market. Hence, there is no assurance that upon our 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 the 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.

There can be no assurance that the IPO Price will correspond to the price at which our Shares will trade on the ACE Market of Bursa Securities upon our Listing and the market price of our Shares will not decline below the IPO Price.

9.3.2 Volatility of share prices traded on Bursa Securities

The trading price and volume of our Shares could be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include material variations in our results and operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and global stock exchanges and the flows of foreign funds. Market sentiment is also influenced by factors such as the prevailing economic and political climate of the country, and the potential for growth in various sectors of the economy. Other factors that may negatively affect investor sentiment include natural disasters, and health epidemics including outbreaks of contagious diseases. These factors contribute to the volatility of trading volumes on Bursa Securities, and of the market price of our Shares.

9.3.3 Uncertainty of dividend payment

It is the intention of our Board to recommend and distribute a dividend of up to 50.0% of the profit attributable to the owners of the Company. However, our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors as set out in **Section 12.15** of this Prospectus. Deterioration of these factors could have an effect on our business, which in turn will affect our ability to declare dividends to our shareholders. As such, there can be no assurance (i) that dividends will be paid out in the future; (ii) on timing of any dividends that are to be paid in the future; or (iii) on the quantum of dividends that are to be paid in the future.

Furthermore, dividend payments are not guaranteed and our Board may decide, at its discretion, at any time and for any reason, not to pay dividends. If we do not pay dividends or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected and the value of any investment in our Shares may be reduced.

Please refer to **Section 12.15** of this Prospectus for further information on our dividend policy.

9. RISK FACTORS *(Cont'd)*

9.3.4 The interest of our Promoters and substantial shareholders who control our Group may not be aligned with the interest of our shareholders

As disclosed in **Section 5.1.1** of this Prospectus, our Promoters and substantial shareholders will directly or indirectly hold 71.0% of our enlarged issued Shares upon Listing. As a result, our Promoters and substantial shareholders will be able to, in the foreseeable future, effectively control the business direction and management of our Group. Given that our Promoters and substantial shareholders will collectively hold 71.0% of our enlarged issued Shares upon Listing, they will be able to vote on and pass ordinary resolutions at general meetings, specifically pertaining to transactions which do not involve the interest of our Promoters, substantial shareholders or persons connected with them where they are not required to abstain from voting either by our Constitution, by law and/or by the relevant guidelines or regulations. Other matters which may also be subject to significant influence from our Promoters and substantial shareholders include the election of Directors as well as the timing and payment of dividends. There can be no assurance that the interests of our Promoters and substantial shareholders will always be aligned with those of our other shareholders.

9.3.5 The sale, or the possible sale, of a substantial number of our Shares in the public market following our Listing could adversely affect the price of our Shares

Following our Listing, we will have in issue 560,000,070 Shares, of which up to 162,561,847 Shares, will be held by investors participating in our Listing (representing 29.0% of our enlarged issued Shares) and not less than 71.0% will be held by our Promoters and substantial shareholders via their direct interests in our Company. Our Shares offered pursuant to our Listing will be tradable on the ACE Market of Bursa Securities following our Listing.

Notwithstanding our existing level of cash and cash equivalents, we may issue additional Shares in connection with our financing activities or otherwise. In addition, our Promoters and substantial shareholders could dispose of some or all of our Shares that they hold after 6 months from the date of our Listing, being the moratorium period, pursuant to their own investment objectives. If our Promoters and substantial shareholders sell, or are perceived as intending to sell, a substantial amount of our Shares that they hold, the market price for our Shares could be adversely affected.

9.3.6 Failure or delay in our Listing

The occurrence of certain events, including the following, may cause a delay in, or failure of, our Listing:

(i) our Sole Underwriter exercising its rights under the Underwriting Agreement to discharge itself of its obligations under such agreement;

(ii) identified investors fail to subscribe for the portions of IPO Shares allocated to them;

(iii) our inability to meet the minimum public spread requirement under the Listing Requirements, i.e. at least 25.0% of the total number of our Shares for which our Listing is sought to be held by a minimum of 200 public shareholders holding not less than 100 Shares each at the point of our Listing;

(iv) the revocation of the approvals from the relevant authorities prior to our Listing and/or admission for whatever reason other than the reasons specified in paragraph (v) below; or

(v) if the SC issues a stop order pursuant to Section 245 of the CMSA prior to our Listing or if permission is not granted by Bursa Securities for our Listing before the expiration of 6 weeks from the date of issue of this Prospectus or such longer period as may be specified by the SC pursuant to Section 243 of the CMSA; or

(vi) the occurrence of any event or circumstance beyond the control of our Group.

9. RISK FACTORS *(Cont'd)*

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 shall refund all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which our Company shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA upon expiration of that period until full refund is made; 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 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 upon expiration of that period until full refund is made; 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:

   (aa) 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

   (bb) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from our Directors.

Therefore, there is a risk that monies paid in respect of our Shares may not be recovered in a timely manner.

9.3.7 Forward-looking statements are subject to uncertainties and contingencies

Certain statements in this Prospectus are based on historical data, which may not be reflective of the future results. Other statements, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Company for future operations, which are forward-looking in nature, are subject to uncertainties and contingencies. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure you that such expectations will subsequently materialise. Their inclusion in this Prospectus should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.