

4. DETAILS OF OUR IPO

4.1 Opening and closing of applications

Application for our IPO Shares will open at 10.00 a.m. on [date] and will remain open until 5.00 p.m. on [date]. **Late applications will not be accepted.**

4.2 Indicative timetable

The indicative timeline for our IPO is set out below:-

Events	Date
Opening of Applications	10.00 a.m., [date]
Closing of Applications	5.00 p.m., [date]
Balloting of Applications	[date]
Allotment / transfer of our IPO Shares to successful applicants	[date]
Listing	[date]

If there are any changes to this timetable, we will advertise a notice of the changes in a widely circulated English and Bahasa Malaysia newspaper within Malaysia, and make an announcement of such changes on Bursa Securities' website accordingly.

4.3 Details of our IPO

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions as set out in **Section 4.3.4** of this Prospectus:-

	No. of IPO Shares	⁽¹⁾ Percentage of our enlarged issued share capital (%)
Retail Offering		
Malaysian Public (via balloting):-		
• Bumiputera	15,000,000	1.00
• Non-Bumiputera	15,000,000	1.00
Eligible Persons:-		
• Our Directors	2,800,000	0.18
• Eligible employees of our Group	31,000,000	2.07
• Persons who have contributed to the success of our Group	11,200,000	0.75
	75,000,000	5.00
Institutional Offering		
Private placement to identified institutional and/or selected investors	262,500,000	17.50
Total	337,500,000	22.50

Note:-

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

4. DETAILS OF OUR IPO (CONT'D)

4.3.1 Retail Offering

The Retail Offering involves the offering of 75,000,000 Issue Shares, representing 5.00% of our enlarged issued share capital, subject to the clawback and reallocation provisions as set out in **Section 4.3.4** of this Prospectus, at the IPO Price to be allocated in the following manner:-

(i) Malaysian Public

30,000,000 Issue Shares, representing 2.00% of our enlarged issued share capital, are available for application by the Malaysian Public through a balloting process, of which 15,000,000 Issue Shares, representing 1.00% of the enlarged issued share capital of our Company, are set aside for Bumiputera investors. Any Issue Shares not subscribed by such Bumiputera investors will be made available for application by other Malaysian Public.

(ii) Eligible Persons

45,000,000 Issue Shares, representing 3.00% of our enlarged issued share capital (i.e. Pink Form Shares), have been reserved and set aside for the Eligible Persons under the Pink Form Allocations.

The details of the number of Pink Form Shares set aside for the Eligible Persons are as follows:-

Eligible Persons	No. of Eligible Persons	Aggregate no. of Pink Form Shares allocated
Our Directors ⁽¹⁾	6	2,800,000
Eligible employees of our Group ⁽²⁾	300	31,000,000
Persons who have contributed to the success of our Group ⁽³⁾	100	11,200,000
Total	406	45,000,000

Notes:-

(1) *The basis and criteria for allocation to our Directors are based on, amongst others, their respective roles and responsibilities in our Group as well as their contribution to our Group. The number of Pink Form Shares to be allocated to our Directors are set out as follows:-*

Name	Designation	No. of Pink Form Shares to be allocated
Dato' Hwang Thean Long	Non-Independent Non-Executive Chairman	1,000,000
Datuk Radzali Bin Hassan	Non-Independent Non-Executive Director	600,000
Dato' Lim Bee Vian	Senior Independent Non-Executive Director	300,000
Lam Voon Kean	Independent Non-Executive Director	300,000
Noor Alina Binti Mohamad Faiz	Independent Non-Executive Director	300,000
Dr. Lee Teck Kheng	Independent Non-Executive Director	300,000
Total		2,800,000

The higher number of Pink Form Shares allocated to Dato' Hwang Thean Long and Datuk Radzali Bin Hassan was based on their seniority and contribution as our Directors.

4. DETAILS OF OUR IPO (CONT'D)

(2) *The basis and criteria for the allocation of Pink Form Shares to the eligible employees of our Group, as approved by our Board, are based on, amongst others, the following factors:-*

- (i) *the eligible employee must be a full-time confirmed employee of at least 18 years of age and be on the payroll of our Group; and*
- (ii) *the number of Pink Form Shares allocated to the eligible employees is based on their staff grade, length of service, past performance and level of contributions made to our Group, including any other factors considered relevant to our Board.*

The allocation to our eligible employees includes the allocation to the following Key Senior Management:-

Name	Designation	No. of Pink Form Shares to be allocated
<i>Sim Gaik Lan</i>	<i>CFO</i>	<i>500,000</i>
<i>Whong Poh Choon</i>	<i>Vice President, Strategic Customers Management</i>	<i>500,000</i>
<i>Ang Toon Yoon</i>	<i>Vice President, IC Substrate Operations</i>	<i>500,000</i>
<i>Balaguru A/L Shanmugam</i>	<i>Vice President, FPC Operations</i>	<i>500,000</i>
<i>Mohammed Iqbal Siddiqui</i>	<i>Vice President, Development</i>	<i>500,000</i>
<i>Chan Kok Yeow</i>	<i>Vice President, Administration</i>	<i>500,000</i>
Total		3,000,000

For information purposes, the number of Pink Form Shares allocated to the Key Senior Management above were based on the length of service, past performance and level of contribution to our Group.

(3) *The allocation to persons who have contributed to our success, as approved by our Board, is determined based on, amongst others, the length of business relationship with our Group, their current and past contributions and support to our business. The persons who have contributed to our success may include our customers, suppliers and business associates. For avoidance of doubt, these persons who have contributed to our success are not related to our Promoters, substantial shareholders and Directors.*

4.3.2 Institutional Offering

The Institutional Offering involves the offering of 127,500,000 Issue Shares and 135,000,000 Offer Shares, collectively representing 17.50% of our entire enlarged issued share capital, will be allocated by way of private placement to identified institutional and/or selected investors at the IPO Price, subject to the clawback and reallocation provisions as set out in **Section 4.3.4** of this Prospectus.

4. DETAILS OF OUR IPO (CONT'D)

4.3.3 Offer for Sale

The Offer Shares to be offered by the Selling Shareholder and its respective direct shareholdings in our Company before and after our IPO, and their relationship with our Group within the past 3 years are as follows:-

Name and address	Nature of relationship with our Group	Before our IPO		Shares offered pursuant to the Offer for Sale		⁽³⁾ After our IPO	
		No. of Shares	⁽¹⁾ %	No. of Shares	⁽¹⁾ %	No. of Shares	⁽²⁾ %
Twisden* Palm Grove House P.O Box 438 Road Town, Tortola British Virgin Islands	Substantial shareholder*	135,000,000	10.40	135,000,000	10.40	-	-

Notes:-

* Twisden is owned by Jeffrey Hwang (75.00%) and Brian Low (25.00%) who are our Promoters and substantial shareholders.

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

(2) Based on our enlarged issued share capital comprising 1,500,000,000 Shares upon Listing.

(3) Assuming all 135,000,000 Offer Shares are fully placed out to identified institutional and/or selected investors.

Twisden will no longer be a shareholder of our Company following the Offer for Sale.

In the event of under-subscription of the Offer Shares, the remaining Offer Shares will then be subject to the clawback and reallocation provisions as set out in **Section 4.3.4** of this Prospectus.

4. DETAILS OF OUR IPO (CONT'D)

4.3.4 Clawback and reallocation

Our IPO Shares shall be subject to the following clawback and reallocation provisions:-

- (i) in the event there are Issue Shares not subscribed by the Malaysian Public and the Eligible Persons, the remaining portion will be made available for application by way of private placement to identified institutional and/or selected investors under **Section 4.3.2** of this Prospectus;
- (ii) in the event of over-subscription by the Malaysian Public and a corresponding undersubscription under **Sections 4.3.1(ii)** and **4.3.2** of this Prospectus, the remaining portion will be clawed-back and be reallocated to the Malaysian Public; and
- (iii) if the Issue Shares and Offer Shares allocated to identified institutional and/or individual investors are not fully subscribed and subject to a corresponding over-subscription by the Malaysian Public under **Section 4.3.1(i)** of this Prospectus and/or Eligible Persons under **Section 4.3.1(ii)** of this Prospectus, the remaining portion will be clawed-back and reallocated to the Malaysian Public and/or offered to the Eligible Persons, the proportion of which will be at the discretion of our Joint Bookrunners and our Board.

The clawback and reallocation shall not apply in the event of over-subscription under **Sections 4.3.1(i)**, **4.3.1(ii)** and **4.3.2** of this Prospectus. Any balance unsubscribed Issue Shares under **Sections 4.3.1(i)** and **4.3.1(ii)** of this Prospectus (arising after the reallocation to the identified institutional and/or selected investors) will not be subject to any further clawback and reallocation. Such Issue Shares will hence be fully underwritten by the Joint Underwriters.

The basis of allocating the IPO Shares shall take into account the desirability of distributing the IPO Shares to a reasonable number of applicants with a view of broadening our shareholding base, to meet the public spread requirements of Bursa Securities as well as to establish a liquid and adequate market for our Shares. The applicants will be selected in a fair and equitable manner to be determined by our Board.

As at the LPD, to the best of our knowledge and belief:-

- (i) there is no substantial shareholder, Director or Key Senior Management who have indicated that they intend to subscribe for our IPO Shares, save for our IPO Shares made available for application under the Pink Form Allocation; and
- (ii) there is no person who intends to subscribe for more than 5.00% of our IPO Shares.

4.3.5 LTIP

In conjunction with the Listing, we have established an LTIP. For avoidance of doubt, we do not intend to grant any ESOS Options or ESGS Shares (collectively referred as "**LTIP Award(s)**") in conjunction with our Listing.

The LTIP will be administered by a committee comprising such Directors and/or senior management of our Group to be appointed and authorised by our Board ("**LTIP Committee**") and governed by the By-Laws.

The salient features of the LTIP are as follows:-

(i) **Maximum number of Shares available under the LTIP**

The total number of Shares which may be made available under the LTIP shall not exceed in aggregate 10.00% of the total number of issued Shares (excluding treasury shares, if any) at any point in time during the duration of the LTIP.

4. DETAILS OF OUR IPO (CONT'D)

(ii) Basis of allocation and maximum allowable allocation

Subject to any adjustments which may be made under the By-Laws, the maximum number of LTIP Awards that may be offered to the eligible Directors and employees of our Group at any point in time during the duration of the LTIP, shall be at the sole and absolute discretion of the LTIP Committee after taking into consideration, inter alia, the director's or employee's seniority, job grading, performance, length of service, contribution to our Group and/or such other matters as the LTIP Committee deems fit in its sole and absolute discretion, and subject to the following conditions the total number of SQAI Shares made available under the LTIP shall not exceed the amount in **Section 4.3.5(i)** above:-

- (a) not more than 10.00% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of SQAI Shares under the LTIP shall be allocated to any eligible Directors and employees of our Group who, either singly or collectively through persons connected (as defined in the Listing Requirements) with the eligible Directors and employees of our Group, holds 20.00% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued SQAI Shares (excluding treasury shares, if any);
- (b) up to 70.00% of the number of SQAI Shares made available under the LTIP as referred to in **Section 4.3.5(i)** above, shall be allocated in aggregate to the eligible Directors and senior management of our Group. This is intended to incentivise the Directors of our Group for their contribution towards development, growth and success and strategic direction to drive long term shareholder value enhancement of our Group and to incentivise the senior management of our Group for their commitment, dedication and loyalty towards attainment of higher performance; and
- (c) the eligible Director or employee shall not participate in the deliberation or discussion of their respective allocations as well as the allocations to persons connected with them, if any,

provided always that it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

(iii) Duration of the LTIP

The LTIP will be in force for a period of 5 years from the effective date and may be extended for a period of up to another 5 years immediately from the expiry of the first 5 years, and shall not in aggregate exceed 10 years from the effective date.

(iv) Eligibility

Subject to the sole discretion of the LTIP Committee, only eligible Directors and employees of our Group who fulfil the following conditions as at the date of awarding the LTIP Awards ("**LTIP Award Date**") shall be eligible to participate in the LTIP:-

- (a) in respect of a Director of our Group, he/she:-
 - (1) has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

4. DETAILS OF OUR IPO (CONT'D)

- (2) has been appointed as our Director for any company within our Group for such periods as may be determined by the LTIP Committee prior to and up to the LTIP Award Date;
 - (3) has not given any notice of resignation, received a notice of termination or otherwise ceased or had his/her employment terminated prior to and up to the LTIP Award Date; and
 - (4) fulfils any other criteria as may be determined by the LTIP Committee from time to time at its sole discretion,
- (b) in respect of an employee (including senior management), he/she:-
- (1) has attained the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (2) is employed by our Group on a full-time basis or serving in a specific designation under an employment contract with our Group for a fixed duration (or any other contract as may be determined by the LTIP Committee) and is on the payroll of our Group and has not served a notice of resignation or received notice of termination;
 - (3) must have been in employment of our Group for a continuous fixed period of at least 6 months or such period as may be determined by the LTIP Committee from time to time (which shall include any probation period) prior to the LTIP Award Date; and
 - (4) fulfils any other criteria as may be determined by the LTIP Committee from time to time at its sole discretion,

provided always that the selection of eligible Directors and employees of our Group for participation in the LTIP and the number of LTIP Award(s) to be awarded to an Eligible Person under the LTIP shall be at the sole and absolute discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding.

- (c) only eligible Directors and employees of our Group (save for our independent Directors) who fulfil the eligibility conditions as set out above shall be eligible to participate in the ESGS.
- (d) the ESGS Shares to be awarded ("**ESGS Awards**") may require the performance targets to be met by the Eligible Persons prior to the vesting of the ESGS Awards. The performance targets comprise key performance indicators to be measured against the individual performance of the eligible Directors and employees who have accepted the ESGS Awards ("**ESGS Participant(s)**") and/or our Group as well as the performance of their respective business units within our Group, as may be determined by our Company from time to time.

4. DETAILS OF OUR IPO (CONT'D)

(v) **Exercise price**

(a) **ESOS**

In relation to the ESOS, the exercise price payable by the eligible Directors and employees of our Group upon the exercise of the ESOS Options shall be determined by the LTIP Committee and in any case, shall be based on a price to be determined by our Board upon recommendation of the LTIP Committee, based on the volume weighted average price of our Shares for the 5 market days at the date of which ESOS Options are awarded to the eligible Directors and employees of our Group ("**ESOS Awards**") with a discount of not more than 10.00% or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the duration of the LTIP.

(b) **ESGS**

In relation to the ESGS, the reference price of the ESGS Awards will be determined based on the fair value of the ESGS Awards, which will take into account, among others, the market price of our Shares on the award date of the ESGS Awards.

(vi) **Vesting conditions**

The LTIP Committee shall, as and when it deems necessary, review and determine, at its own discretion, the conditions which are required to be fulfilled by an eligible person who has accepted the ESOS Awards and/or ESGS Awards ("**Vesting Conditions**"). Our Shares to be transferred under the ESGS Award(s) shall be vested to the ESGS Participants on the date that the ESGS Awards are eligible to be vested ("**ESGS Vesting Date**") once the Vesting Conditions, if any, are fully and duly satisfied which includes among others, the following:-

- (a) the ESGS Participants must remain as an employee and shall not have given a notice to resign or receive a notice of termination as at the ESGS Vesting Date; and
- (b) any other conditions which are determined by the LTIP Committee.

4.3.6 Share capital

Upon completion of our IPO, our share capital will be as follows:-

	No. of Shares	RM
Issued share capital before our IPO	1,297,500,000	[146,514,501]
New Shares to be issued under the Public Issue	202,500,000	⁽¹⁾ [●]
Enlarged issued share capital upon Listing and prior to utilisation of IPO proceeds	1,500,000,000	[●]
Less: Estimated listing expenses	-	⁽²⁾ [(●)]
Enlarged issued share capital upon Listing and after utilisation of IPO proceeds	1,500,000,000	[●]

Notes:-

- (1) Calculated based on the IPO Price.
- (2) Out of the total estimated listing expenses of RM[●] million, a total of RM[●] million is assumed to be directly attributable to the Public Issue and will be debited against share capital, whilst the remaining RM[●] million will be charged to the statement of profit or loss and other comprehensive income of our Group.

4. DETAILS OF OUR IPO (CONT'D)

The Offer for Sale would not have any effect on our issued share capital as the Offer Shares are already in existence prior to our IPO.

4.3.7 Price stabilisation mechanism

We will not be employing any price stabilisation mechanism (which is in accordance with the Capital Markets and Services (Price Stabilisation Mechanism) Regulations 2008) for our IPO.

4.3.8 Classes of shares and ranking

As at the date of this Prospectus, there is only 1 class of shares in our Company, namely ordinary shares.

Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our other existing issued Shares, including voting rights, and will be entitled to all rights, dividends and distributions that may be declared subsequent to the date of allotment of the Issue Shares, subject to any applicable rules of Bursa Depository.

Our Offer Shares rank equally in all respects with our existing Shares, including voting rights, and will be entitled to all rights, dividends and distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable rules of Bursa Depository.

Subject to any special rights (amongst others, taking priority over our Shares in terms of the distribution of dividends or other profits) attaching to any Shares which we may issue in the future, our shareholders are, in proportion to the amount paid on the Shares held by them, be entitled to share in the profits paid out by us in the form of dividends or other distributions. Similarly, if our Company is liquidated, our shareholders are entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At every general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy or by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting, or in any notice of resolution, is to be voted on by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held or represented. A proxy may but need not be a member of our Company.

4.3.9 Minimum level of subscription

There is no minimum subscription in terms of the proceeds to be raised from our IPO. However, in order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of Shares will be the number of Shares required to be held by public shareholders for our Company to comply with the public shareholding spread requirement under the Listing Requirements or as approved by Bursa Securities.

Under the Listing Requirements, we are required to have a minimum of 25.00% of our Shares held by at least 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing. However, Bursa Securities has, via its letter [date], resolved to [●] a lower public shareholding spread of [22.00]% upon our Listing, as in compliance with Paragraph 8.02(1) of the Listing Requirements. Further details on the conditions of the approval are set out in **Section 2.1** of this Prospectus.

If the above requirement is not met, we may not be able to proceed with our Listing. Please refer to **Section 5.3.2** of this Prospectus for details in the event there is a delay in or cancellation of our Listing.

4. DETAILS OF OUR IPO (CONT'D)

4.4 Basis of arriving at the price of our IPO Shares

4.4.1 IPO Price

Our IPO Price was determined and agreed upon between our Directors, Promoters, Selling Shareholder and in consultation with our Joint Bookrunners and Joint Underwriters, after taking into consideration the following factors:-

- (i) our Group's pro forma EPS of 5.3 sen for the FYE 2025, which is based on our Group's PAT attributable to owners of our Group of approximately RM80.2 million and our enlarged issued share capital comprising 1,500,000,000 Shares, which translates into a price-to-earnings multiple of [●] times;
- (ii) our financial performance and operating history as described in **Sections 12** and **13** of this Prospectus;
- (iii) the pro forma combined NA as at FYE 2025 attributable to owners of our Group, after our IPO and subsequent to the utilisation of proceeds from our Public Issue of approximately RM[●] per Share based on our enlarged issued share capital upon Listing comprising 1,500,000,000 Shares;
- (iv) our competitive advantages and key strengths as outlined in **Section 7.5** of this Prospectus;
- (v) our business strategies and plans as outlined in **Section 7.28** of this Prospectus;
- (vi) the overview and future outlook of the industry which we operate in, as described in the Independent Market Research Report in **Section 8** of this Prospectus; and
- (vii) the prevailing market conditions which include the current market trends and investors' sentiment.

4.4.2 Market capitalisation upon Listing

Based on our IPO Price of RM[●] per IPO Share and our enlarged issued share capital comprising 1,500,000,000 Shares, our market capitalisation upon Listing is RM[●] billion.

You should also note that the market price of our Shares upon our Listing is subject to the vagaries of market forces and other uncertainties. You are reminded to carefully consider the risk factors as set out in Section 5 of this Prospectus.

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4. DETAILS OF OUR IPO (CONT'D)

4.5 Dilution

Dilution is computed as the difference between our IPO Price and our pro forma combined NA per Share after our IPO.

The following table illustrates the effect in our pro forma combined NA for each Share to our shareholders:-

	Details	RM
IPO Price	(A)	[●]
Audited combined NA per Share as at 31 May 2025, before adjusting for the IPO	(B)	0.21
Pro forma combined NA per Share as at 31 May 2025, after giving effect to the IPO (after the IPO and subsequent to the utilisation of proceeds from our Public Issue)	(C)	[●]
Increase in the pro forma combined NA per Share to existing shareholders	(C - B)	[●]
Dilution in the pro forma combined NA per Share to new public investors	(A - C)	[●]
Dilution in the pro forma combined NA per Share to new public investors as a percentage of the IPO Price (%)	(A - C)/(A)	[●]

Save as disclosed below and the Pink Form Allocations to our eligible Directors and Key Senior Management under **Section 4.3.1(ii)** of this Prospectus, none of our substantial shareholders, Directors, Key Senior Management or persons connected to them had acquired, obtained the right to acquire and/or subscribe for our Shares in the past 3 years and up to the LPD:-

	Date	No. of Shares	Total consideration (RM)	Average effective cash contribution per Share (RM)
Substantial shareholders				
SQTSB*	29 November 2025 10 February 2026	⁽¹⁾ 14,999,998 ⁽²⁾ 1,122,500,000	7,999,498.93 -	0.5333 -
Twisden*	[date]	⁽³⁾ 135,000,000	[106,515,000.00]	[0.7890]

Notes:-

* Ultimately owned by Jeffrey Hwang (75.00%) and Brian Low (25.00%) who are our Promoters and substantial shareholders.

(1) Allotted to SQTSB to capitalise amount due to SQTSB.

(2) Shares are allotted pursuant to the Bonus Issue, further details are set out in **Section 6.4.2** of this Prospectus.

(3) Shares are allotted pursuant to the Acquisition of SECL, further details are set out in **Section 6.4.3** of this Prospectus.

4. DETAILS OF OUR IPO (CONT'D)

4.6 Use of proceeds

The total gross proceeds from the Public Issue amounting to RM[●] million will be utilised by our Group in the following manner:-

Details of use	Estimated timeframe for use upon Listing	(RM'000)	Percentage of gross proceeds (%)
(i) Expansion of facilities			
• Expansion and modernisation of FPC facilities	Within 36 months	[●]	[●]
• Expansion and enhancement of IC substrate facility	Within 36 months	[●]	[●]
• Digitalisation of business operations	Within 24 months	[●]	[●]
		[●]	[●]
(ii) Research and development expenditure			
• Semiconductor advanced packaging	Within 36 months	[●]	[●]
• Advanced fine-line manufacturing process	Within 36 months	[●]	[●]
		[●]	[●]
(iii) Talent development and retention	Within 36 months	[●]	[●]
(iv) Working capital	Within 24 months	[●]	[●]
(v) Repayment of existing bank borrowings	Within 3 months	[●]	[●]
(vi) Other fees and expenses relating to our IPO and our Listing	Within 3 months	[●]	[●]
Total		[●]	[●]

Details of our use of gross proceeds from our IPO are as follows:-

4.6.1 Expansion of facilities

To support our Group's long-term growth strategy, our Group plans to expand, modernise and enhance our FPC and IC substrate facilities as well as digitalise our business operations. These initiatives are intended to enhance product robustness and manufacturing efficiency, with a particular focus on precision and performance. Further, digitalisation is aimed at improving our operational efficiency, data accuracy and traceability. The expansion of our facilities will encompass, amongst others, the following:-

(a) Expansion and modernisation of our FPC facilities

Our Group currently carries out the manufacturing and assembly of FPC at the Bayan Lepas Plant and Xiamen Plant, with utilisation rates of approximately 66.00% and 71.00% for the FYE 2025, respectively. Our capacity and capabilities to carry out the manufacturing and assembly of FPC is dependent on, amongst others, the availability of production area and the advancement of our equipment.

4. DETAILS OF OUR IPO (CONT'D)

Our Group intends to continue focusing on modernising our FPC facilities through the purchase of additional equipment. The replacement and upgrading of equipment is expected to strengthen our manufacturing and assembly capabilities in terms of, amongst others, supporting finer-line width, photo-imaging and etching capabilities, enabling automated in-line inspection for circuit assembly as well as film lamination across large panel boards. This upgrade is expected to enhance our manufacturing and assembly capabilities which in turn supports future business growth.

Accordingly, our Group intends to allocate approximately RM[●] million or [●]% of the total Public Issue proceeds towards the expansion and modernisation of the FPC facilities at our Bayan Lepas Plant and Xiamen Plant. The estimated cost breakdown are as follows:-

Details	Bayan Lepas Plant (RM'000)	Xiamen Plant (RM'000)
Purchase of new equipment for capacity expansion ⁽¹⁾	[●]	[●]
Purchase of new equipment for capabilities enhancement ⁽¹⁾	[●]	[●]
Factory upgrade ⁽²⁾	[●]	[●]
Total	[●]	[●]

Notes:-

- (1) *The breakdown of the purchase of new equipment for capacity expansion and capabilities enhancement is as follows:-*

Details	Unit	(RM'000)
<i>Circuit formation equipment</i>	[●]	[●]
<i>Mechatronic equipment</i>	[●]	[●]
<i>Circuit protection equipment</i>	[●]	[●]
<i>Circuit verification equipment</i>	[●]	[●]
<i>Surface finishing equipment</i>	[●]	[●]
<i>FPC assembly equipment</i>	[●]	[●]
<i>Analytical equipment</i>	[●]	[●]
	[●]	[●]

The estimated cost for the abovementioned equipment was derived based on estimated prices taking into consideration, among others, suppliers' quotations and market price listing.

- (2) *Comprising, factory renovation to cater to more space for new equipment as well as upgrade of wastewater treatment systems and cold storage facilities for our Xiamen Plant.*

(b) Expansion and enhancement of IC substrate facility

Our Group currently carries out the manufacturing of IC substrates at our Batu Kawan Plant, with a utilisation rate of approximately 63.00% for the FYE 2025.

Our Group intends to continue focusing on enhancing our IC substrate facility through the purchase of additional equipment. The replacement and upgrading of equipment are expected to strengthen our manufacturing capabilities, further details are set out in **Section 7.28.1(ii)** of this Prospectus.

4. DETAILS OF OUR IPO (CONT'D)

Our Group intends to allocate approximately RM[●] million or [●]% of the total Public Issue proceeds towards the expansion and enhancement of the IC substrate facility at our Batu Kawan Plant. The estimated cost breakdown is as follows:-

Details	(RM'000)
Purchase of new equipment for capacity expansion ⁽¹⁾	[●]
Purchase of new equipment for capabilities enhancement ⁽¹⁾	[●]
Total	[●]

Note:-

- (1) The breakdown of the purchase of equipment for capacity expansion and capabilities enhancement is as follows:-

Details	Unit	(RM'000)
Circuit formation equipment	[●]	[●]
Circuit protection equipment	[●]	[●]
Mechatronic equipment	[●]	[●]
Circuit verification equipment	[●]	[●]
Total	[●]	[●]

The estimated cost for the abovementioned equipment was derived based on estimated prices taking into consideration, among others, suppliers' quotations and market price listing.

(c) Digitalisation of business operations

As part of our long-term growth strategy to centralise the operations, our Group plans to invest in new software for the following processes:-

- (i) the production planning and monitoring process, which enables our Group to improve the data accuracy and traceability across manufacturing and administrative functions while strengthening interdepartmental coordination within our Group. This will facilitate more efficient production planning, monitoring, and reporting; and
- (ii) our Group's in-house circuit design and engineering process, which enables our Group to improve design accuracy and consistency as well as facilitate better collaboration and information sharing among technical teams. By leveraging optimisation and automated design tools, our Group aims to enhance documentation control and support the transition from design to manufacturing.

The digitalisation will be implemented within our Malaysia Operations, with the resources and capabilities to be shared between both our Malaysia and PRC operations. This is expected to improve efficiency, reduce errors and accelerate the design-to-production cycle. Further details on our strategies and plans in particular, digitalisation of business operation is set out in **Section 7.28.3** of this Prospectus.

Accordingly, our Group intends to allocate approximately RM[●] million or [●]% of the total Public Issue proceeds toward the digitalisation of our business operations which comprise the following:-

Details	(RM'000)
Operational and management software ⁽¹⁾	[●]
AI-enabled manufacturing enterprise systems	[●]
Circuit design and engineering software ⁽²⁾	[●]
Others ⁽³⁾	[●]
Total	[●]

4. DETAILS OF OUR IPO (CONT'D)

Notes:-

- (1) *Comprising customer relationship management (CRM) software and cloud-based enterprise resource planning (ERP).*
- (2) *Comprising electronic design automation software.*
- (3) *Comprising smart warehousing solutions and an automated packing system for the Bayan Lepas Plant and chiller upgrades and an AI-powered energy efficiency building management system for the Batu Kawan Plant.*

If the actual cost of the utilisation exceeds the earmarked amount, the shortfall will be funded out of the portion allocated for our working capital requirements and/or our internally generated funds. Conversely, any excess funds will be utilised to meet the working capital requirements for our Group.

4.6.2 Research and development expenditure

R&D plays a critical role as part of our Group's continuing efforts to meet growing demand for high-density, high-performance semiconductor, as well as to expand our Group's product offerings. Our Group intends to focus our R&D initiatives on the following areas:-

(a) Semiconductor advanced packaging

We intend to establish an advanced semiconductor packaging R&D division at our Batu Kawan Plant which serves as a vertical expansion from our existing IC substrate manufacturing into advanced semiconductor packaging.

The advanced semiconductor packaging R&D division serves as a strategic initiative for our Group to focus on developing advanced semiconductor assembly processes that integrate wafer dies onto our in-house IC substrates to form a single semiconductor package. The R&D activities will focus on the research, development and qualification of new fabrication and packaging technologies. Subject to the successful completion of the R&D and process qualification, the initiative is expected to diversify our revenue streams with the entry into the semiconductor component assembly and advanced packaging markets. Further details on the advanced semiconductor packaging are set out in **Section 7.28.2** of this Prospectus.

Our Group has earmarked RM[●] million or [●]% of the total Public Issue proceeds towards the setting up of advanced semiconductor packaging R&D division. The earmarked proceeds are intended to set up an advanced semiconductor packaging pilot production line and recruitment of new technical personnel and/or upskilling of existing technical personnel to develop in-house advanced semiconductor packaging capabilities.

The breakdown of the allocated funds are set out below:-

Details	(RM'000)
Purchase of advanced semiconductor packaging equipment ⁽¹⁾	[●]
Staff costs	[●]
Total	[●]

Note:-

- (1) *Comprising, amongst others, wafer and package preparation equipment, die attach and bonding equipment, moulding equipment, laser marking and packaging equipment as well as inspection and testing equipment.*

4. DETAILS OF OUR IPO (CONT'D)

The breakdown as disclosed above is indicative and is dependent on the operating requirement of our Group at the time of utilisation.

If the actual cost of the utilisation exceeds the earmarked amount, the shortfall will be funded out of the portion allocated for our Group's working capital requirements and/or our internally generated funds. Conversely, any excess funds will be utilised to meet the working capital requirements for our Group.

(b) Advanced fine-line manufacturing processes

As part of our ongoing R&D initiatives, our Group intends to adopt new process technologies focused on advanced fine-line manufacturing processes for FPC manufacturing at our Xiamen Plant. The R&D initiatives aimed at evaluating, developing and qualifying new process technologies and process flow which involve establishing high-precision process capabilities that enable ultra-fine line widths and spacing, high interconnection density and enhanced electrical performance, thereby strengthening our technology competitiveness in FPC manufacturing. Further details on the adoption of advanced fine-line manufacturing processes are set out in **Section 7.28.1(i)(c)** of this Prospectus.

The R&D initiative will involve the development of pilot prototypes leveraging the advanced fine-line technologies, the optimisation of photolithography and etching process parameters, and the evaluation of materials and plating control and carrying out performance validation and process refinement to ensure reliable electrical and mechanical performance. These efforts are intended to support the continuous advancement of our fine-line FPC manufacturing capabilities, which are increasingly required for advanced FPC applications involving high-density circuitry in industries such as advanced medical imaging and instrumentation.

Accordingly, our Group has earmarked RM[•] million or [•]% of the total Public Issue proceeds to support the adoption of new process technologies.

The breakdown of the allocated funds are set out below:-

Details	(RM'000)
Purchase of advanced fine-line manufacturing equipment ⁽¹⁾	[•]
Staff costs	[•]
Total	[•]

Note:-

(1) *Comprising, amongst others, photolithography, laminating equipment, measuring machine and analytical equipment for the R&D in relation to the new process technologies.*

The breakdown as disclosed above is indicative and is dependent on the operating requirement of our Group at the time of utilisation.

If the actual cost of the utilisation exceeds the earmarked amount, the shortfall will be funded out of the portion allocated for our Group's working capital requirements and/or our internally generated funds. Conversely, any excess funds will be utilised to meet the working capital requirements for our Group.

4. DETAILS OF OUR IPO (CONT'D)

4.6.3 Talent development and retention

Our Group has earmarked RM[●] million or [●]% of the total Public Issue proceeds towards talent development and retention across our Group. As at the LPD, our Group has a total workforce of 1,247 employees.

As the E&E and semiconductor industries continue to evolve rapidly, human talent remains critical to our operations. Hence, this initiative is aimed at strengthening human capital capabilities to support operational excellence, innovation, and sustainable growth. The proposed allocation will go towards, amongst others:-

- (a) **training and skill enhancement programs** for engineers, technical staff, and management personnel to ensure our technical professionals remain aligned with technological advancements and industry best practices. Continuous development is essential for our Group to stay at the forefront of innovation to maintain competitiveness and effectively adapt to emerging technologies and evolving market demands in the E&E and semiconductor industries;
- (b) **leadership development and succession planning initiatives**, to ensure continuity, stability and effective knowledge transfer in critical management and technical roles which is essential for long-term sustainability; and
- (c) **employee retention initiatives**, including performance-based incentives and career progression programs, to attract and retain key talent essential to our Group's ongoing growth and competitiveness, particularly, in view of the intense competition for skilled talent in the E&E and semiconductor industries particularly in Penang, Malaysia and Xiamen, the PRC, which necessitates increased investment in employees' remuneration, incentives and retention programs to attract and retain qualified technical personnel.

By investing in the workforce, our Group seeks to cultivate a skilled and motivated talent pool capable of supporting the expansion, modernisation and digitalisation of the FPC and IC substrate operations.

4.6.4 Working capital

Our Group expects the working capital requirements to increase in tandem with the expected growth in our Group's scale of operations, as we continue to expand our production capacity and enhance our manufacturing capabilities for both the FPC and IC substrate segments as set out in the **Section 4.6.1** of this Prospectus. In relation thereto, our Group intends to utilise approximately RM[●] million or [●]% of the total Public Issue proceeds towards the working capital requirements, as set out below:-

Details	(1)(RM'000)
General overheads, which include payment of administration and operational expenses such as for the upkeep of offices and office utilities	[●]
Purchase of raw materials comprising, amongst others, gold-based chemical compounds, electrical components and copper-based material	[●]
Marketing activities	[●]
Total	[●]

Note:-

- (1) A detailed breakdown of the earmarked proceeds has not been determined at this juncture and will be dependent on the operating and funding requirements at the time of utilisation. Notwithstanding that, our management has estimated that the allocation of the proceeds shall be distributed equally between our 3 manufacturing facilities based on the operational needs, strategic priorities, historical utilisation timelines and upcoming fulfilment timelines.

4. DETAILS OF OUR IPO (CONT'D)

4.6.5 Repayment of bank borrowings

As at the LPD, the total borrowings of our Group are approximately RM23.5 million. Our Group intends to utilise RM[●] million or [●]% of the total Public Issue proceeds towards repaying our Group's existing bank borrowings in the manner set out below:-

Facility*	Bank	Purpose	Maturity Date	⁽¹⁾ Interest rate (% per annum)	Amount outstanding as at the LPD (RM'000)	Proposed repayment (RM'000)
Revolving Credit	Hong Leong Bank	Working Capital	1 month	ICOF + 1.25%	15,000	[●]
Total					15,000	[●]

Notes:-

* Our Group has selected the abovementioned facility for repayment on the basis of prioritising on the repayment of facilities with higher interest rates and shorter maturity date.

(1) As at the LPD, the base financing/lending rate is the Islamic Cost of Finance (ICOF).

For illustrative purposes, the repayment of the bank borrowings set out in the table above, amounting to RM[●] million is expected to result in interest savings of approximately RM[●] million per annum, assuming an interest rate of 4.84% per annum. We do not expect to incur any penalty charges in respect of the early repayment of our bank borrowings.

4.6.6 Estimated listing expenses

The estimated expenses and fees incidental to our Listing amounting to RM[●] million or [●]% of the total Public Issue proceeds shall be borne by our Company, the details of which are as follows:-

Expenses	(RM'000)
Professional fees	[●]
Brokerage, placement fees and underwriting commission	[●]
Regulatory fees	[●]
Other fees and expenses such as printing, advertising, travelling and roadshow expenses incurred in connection with our IPO	[●]
Contingencies and other incidental expenses in connection with our IPO such as translation fees, public or investor relation consultant, service tax and funds reserved for contingency purposes	[●]
Total	[●]

If the actual listing expenses are higher than the estimated amount as set out above, the deficit will be funded out of the portion from the IPO proceeds allocated for working capital. Conversely, if the actual listing expenses are lower than the estimated amount, the excess will be utilised for the general working capital requirements of our Group.

We intend to place the Public Issue proceeds (including accrued interest, if any) or the balance thereof as deposits with licensed financial institutions or short-term money market instruments prior to the use of the proceeds from the Public Issue for the above intended purposes.

4. DETAILS OF OUR IPO (CONT'D)

We will not receive any proceeds from the Offer for Sale as such proceeds will go directly to our Selling Shareholder. The gross proceeds from the Offer for Sale are approximately RM[●] million based on the Offer Price of RM[●] per Offer Share. Our Selling Shareholder will bear all the expenses, including the registration and transfer fees, placement fees and miscellaneous expenses relating to the Offer for Sale, which is estimated to be approximately RM[●] million.

4.7 Brokerage, underwriting commission and placement fee

(i) Brokerage fee

We will pay brokerage fees in respect of the Issue Shares allocated to the Malaysian Public, at the rate of [1.00]% (exclusive of applicable tax) of the Issue Price in respect of all successful applications, which bear the stamp of the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

Our Joint Bookrunners are entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us or the Selling Shareholder.

(ii) Underwriting commission

As stipulated in the Underwriting Agreement, the Joint Underwriters have agreed to underwrite our Issue Shares under the Retail Offering for an underwriting commission of up to [●]% (exclusive of applicable tax) of the IPO Price multiplied by the total number of Issue Shares underwritten under the Retail Offering in accordance with the terms of the Underwriting Agreement.

(iii) Placement fee

The Selling Shareholder for our Offer Shares and us for our Issue Shares will pay our Joint Bookrunners a placement fee and selling commission of [●]% (exclusive of applicable tax) of the IPO Price multiplied by the number of IPO Shares sold to institutional and/or selected investors in accordance with the terms of the Placement Agreement.

4.8 Underwriting arrangement

We have entered into the Underwriting Agreement with the Joint Underwriters to underwrite 30,000,000 Issue Shares under the Malaysian Public portion as set out in **Section 4.3.1(i)** of this Prospectus and 45,000,000 Pink Form Shares under the Pink Form Allocations as set out in **Section 4.3.1(ii)** of this Prospectus, both of which are subject to the clawback and reallocation provisions as set out in **Section 4.3.4** of this Prospectus.

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

4. DETAILS OF OUR IPO (CONT'D)

4.9 Trading and settlement in secondary market

Upon Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected based on the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to the subscribers or purchasers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS Accounts, either directly in their names or through authorised nominees. Persons whose names appear in our Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective CDS Accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fees of RM10 payable for each transfer not transacted on the market.

Shares held in CDS Accounts may not be withdrawn from the CDS except in the following instances:-

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances as determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares are required to trade under the odd lot market. Settlement and payment of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of a book-entry transfer to other CDS Account in circumstances which do not involve a change in beneficial ownership) before the commencement of trading on Bursa Securities.

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