

4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATIONS

The application period will open at [●] on [●] and close at 5.00 p.m. on [●]. Late Applications will not be accepted.

4.2 INDICATIVE TIMETABLE

An indicative timetable for our IPO is set out below:

Events	Date
Issuance of this Prospectus / Opening date of our IPO	10.00 a.m., [●]
Closing date of our IPO	5.00 p.m., [●]
Balloting of applications for our IPO Shares	[●]
Allotment of our IPO Shares to successful applicants	[●]
Listing	[●]

In the event there are any changes to the timetable, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia newspapers within Malaysia.

4.3 PARTICULARS OF OUR IPO

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

Our IPO of 389,500,000 Shares, representing 25.97% of the enlarged issued share capital of our Company will be allocated in the following manner:-

4.3.1 Public Issue

Our Public Issue of 250,000,000 Issue Shares at the IPO Price of RM[●], payable in full on application, will be allocated in the following manner:-

(a) Malaysian Public (via balloting)

30,000,000 Issue Shares (representing 2.00% of our enlarged total number of Shares) to be allocated via balloting, will be made available for Application by the Malaysian Public, of which at least 50% shall be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

4. DETAILS OF OUR IPO (CONT'D)**(b) Eligible Persons**

22,500,000 Issue Shares (representing 1.50% of our enlarged total number of Shares) will be reserved for application by the Eligible Persons under the Pink Form Allocation as follows:-.

Eligible Persons	Number of persons	Aggregate no. of IPO Shares allocated
Directors of our Company ⁽¹⁾	4	480,000
Eligible employees of our Group ⁽²⁾	Up to 1,121	13,000,000
Other persons who have contributed to the success of our Group ⁽³⁾	Up to 53	9,020,000
Total	Up to 1,178	22,500,000

Notes:-

- (1) Excluding our Executive Chairman, President / Executive Director and Non-Independent Non-Executive Director who will not be allocated any IPO Shares. Each of our Independent Non-Executive Directors have been allocated 120,000 IPO Shares and collectively, a total of 480,000 IPO Shares has been allocated to them.
- (2) The IPO Shares will be allocated to our eligible employees based on the following eligibility criteria as approved by our Board:-
- (i) at least 18 years old;
 - (ii) designation and position;
 - (iii) length of service; and
 - (iv) contribution to our Group.

4. DETAILS OF OUR IPO (CONT'D)

The number of IPO Shares to be allocated to our Key Senior Management under the Pink Form Allocation is as follows:-

Name	Designation	No. of IPO Shares
Wong Che Hoe	Senior Vice President of Human Resource and Business Solutions	180,000
Mah Chin Niap	Senior Vice President of Finance and Business Compliance	140,000
Ho Weng Hung	Vice President of Retail Operations, Logistics and Service	160,000
Teng Kean Kheng	Vice President of Retail Operations	160,000
Phang Weng Nam	Vice President of Digital Commerce and Supply Chain	160,000
Ang Keng Beng	Division Head of Internal Audit Compliance cum Franchise	70,000
Tai Tze Yen	Division Head of Digital Marketing	60,000
Raymond Tan Chun Hong	Division Head of New Retail Technology	60,000
Total		990,000

(3) The criteria for allocation of the IPO Shares to other persons who have contributed to the success of our Group under the Pink Form Allocation are based on, among others, their current and/or past contributions to our Group as well as the length of their business relationship with our Group.

(c) Private placement to identified Bumiputera investors approved by the MITI

48,000,000 Issue Shares (representing 3.20% of our enlarged total number of Shares) to be allocated by way of private placement to identified Bumiputera investors approved by the MITI.

(d) Private placement to institutional and selected investors

149,500,000 Issue Shares (representing 9.97% of our enlarged total number of Shares) to be allocated by way of private placement to institutions and identified investors.

The Public Issue will increase our issued share capital from RM166,206,171 comprising 1,250,000,000 Shares to RM[•] comprising 1,500,000,000 Shares

4. DETAILS OF OUR IPO (CONT'D)

4.3.2 Offer for Sale

The Offerors are offering 139,500,000 Offer Shares (representing approximately 9.30% of our enlarged total number of Shares), at the IPO Price by way of private placement to identified Bumiputera investors approved by the MITI. The details of the Offerors, their relationship with our Group and details of their shareholdings in our Company are as follows:-

Name and address of the Offerors	Relationship with our Group for the past 3 years up to the LPD	As at [the LPD]		Offer for Sale		After the IPO	
		No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
KH Lim No. 37-5 The Pearl @ KLCC 2A, Jalan Stonor 50450 Kuala Lumpur	Our Promoter, Substantial Shareholder and Executive Chairman	126,800,000	10.14	46,500,000	3.10	80,300,000	5.35
KC Lim B-08-02, Madge Mansions Jalan Madge Taman U Thant 55000 Kuala Lumpur	Our Promoter, Substantial Shareholder and President / Executive Director	126,800,000	10.14	46,500,000	3.10	80,300,000	5.35
KY Lim Villa 33, No 10 Jalan Mandarin Damai 3 Bukit Mandarin Cheras 56000 Kuala Lumpur	Our Promoter, Substantial Shareholder and Non-Independent Non-Executive Director	126,800,000	10.14	46,500,000	3.10	80,300,000	5.35

Notes:-

- (1) Based on the total number of 1,250,000,000 Shares after the Acquisition of Senheng KL and Share Split but before our IPO.
- (2) Based on the enlarged total number of 1,500,000,000 Shares after our IPO.

The entire proceeds of RM[●] arising from the Offer for Sale will accrue entirely to the Offerors. All expenses relating to the Offer for Sale will be fully borne by the Offerors.

4. DETAILS OF OUR IPO (CONT'D)**4.3.3 Summary of IPO Shares to be allocated and underwritten**

In summary, our IPO Shares offered under our Retail Offering and Institutional Offering (subject to clawback and reallocation provisions) are as follows:-

Categories	Issue Shares		Offer Shares		Total	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
Retail Offering						
Malaysian Public (via balloting)						
▪ Bumiputera	15,000,000	1.00	-	-	15,000,000	1.00
▪ Non-Bumiputera	15,000,000	1.00	-	-	15,000,000	1.00
Eligible Persons	22,500,000	1.50	-	-	22,500,000	1.50
Institutional Offering (by way of private placement)						
Bumiputera investors approved by MITI	48,000,000	3.20	139,500,000	9.30	187,500,000	12.50
Other institutional and selected investors	149,500,000	9.97	-	-	149,500,000	9.97
Total	250,000,000	16.67	139,500,000	9.30	389,500,000	25.97

Note:-

(1) Based on the enlarged total number of 1,500,000,000 Shares after our IPO.

The Retail Offering has been fully underwritten. The Institutional Offering is not underwritten. Irrevocable undertakings have been or will be obtained from investors who subscribe for our IPO Shares made available under the Institutional Offering.

The Retail Offering will be allocated on a fair and equitable manner and the basis of allocation for the Issue Shares shall take into account the desirability of distributing the Issue Shares to a reasonable number of applicants in view of broadening our shareholding base to meet the public spread requirements and to establish a liquid and adequate market for our Shares. Applicants for the Institutional Offering will be selected in such manner as may be determined by our Placement Agent, in consultation with our Company, to be in the best interest of our Company. Our Placement Agent, in consultation with our Company, has the absolute discretion to decide whether to accept or reject any placement application.

There is no over-allotment or 'greenshoe' option which will increase the number of our IPO Shares.

4. DETAILS OF OUR IPO (CONT'D)

4.3.4 Clawback and reallocation

The Retail Offering and Institutional Offering shall be subject to the following clawback and reallocation provisions:-

- (i) if our IPO Shares allocated to Bumiputera investors approved by the MITI are not fully taken up, our IPO Shares which are not taken up may be reallocated to other institutional and selected investors under the Institutional Offering;
- (ii) subject to item (i) above, if there is an under-subscription in the Institutional Offering and an over-subscription in the Retail Offering, the IPO Shares not taken up may be clawed back from the Institutional Offering and reallocated to the Retail Offering; and
- (iii) if there is an under-subscription of the Retail Offering and an over-subscription in the Institutional Offering, the IPO Shares not taken up may be clawed back from the Retail Offering and reallocated to the Institutional Offering.

The clawback and reallocation provisions will not apply in the event there is an over-subscription or under-subscription in both the Retail Offering and the Institutional Offering or an under-subscription in either the Retail Offering or the Institutional Offering but no over-subscription in the other.

Any IPO Shares allocated to Eligible Persons but not taken up by them shall be made available to other Eligible Persons who have applied for excess IPO Shares (if any) in addition to their pre-determined allocation of IPO Shares ("**Excess Shares**"). Such Excess Shares will be allocated to these other Eligible Persons on a fair and equitable basis in the following priority:-

- (a) firstly, allocation on a proportionate basis to our Directors and eligible employees of our Group who have applied for Excess Shares based on the number of Excess Shares applied for;
- (b) secondly, allocation of any surplus Excess Shares after (a) above on a proportionate basis to persons who have contributed to the success of our Group who have applied for Excess Shares based on the number of Excess Shares applied for; and
- (c) thirdly, to minimise odd lots.

Our Board reserves the right to allot Excess Shares applied for in such manner as it may deem fit, expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) to (c) above is achieved. Our Board also reserves the right to accept or reject any Excess Shares application, in full or in part, without assigning any reason.

Any allocated IPO Shares not fully taken up by Eligible Persons will be made available for application by the Malaysian Public under the Retail Offering, with any remaining IPO Shares thereafter underwritten by our Underwriter, subject to the clawback and reallocation set out above.

4. DETAILS OF OUR IPO (CONT'D)

4.3.5 Share capital

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

	<u>No. of Shares</u>	<u>RM</u>
Issued share capital as at [the LPD]	1,250,000,000	166,206,171
New Shares to be issued pursuant to the Public Issue	250,000,000	⁽¹⁾ [•]
Enlarged issued share capital upon Listing	<u>1,500,000,000</u>	<u>[•]</u>

Note:-

(1) Calculated based on the IPO Price and after deducting the estimated listing expenses of approximately RM[•] million which is directly attributable to our Public Issue and allowed to be debited against the share capital of our Company.

4.3.6 Classes of shares and ranking

As at the date of this Prospectus and upon completion of our IPO, we have only 1 class of shares, namely ordinary shares in our Company.

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

Subject to any special rights attached to any shares which we may issue in the future, our shareholders shall, in proportion to the amount paid up on the Shares held by them, be entitled to share the profits paid out by us as dividends or other distributions. Similarly, if our Company is liquidated, our shareholders shall be 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 any general meeting of our Company, each shareholder shall be entitled to vote in person, by proxy, by attorney or by other duly authorised representative. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy.

Any resolution set out in the notice of any general meeting, or in any notice of resolution which may be moved or is intended to be moved at any general meeting, is to be voted by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have 1 vote for each Share held.

4.3.7 Minimum subscription level

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

4. DETAILS OF OUR IPO (CONT'D)

If the abovesaid public spread requirement is not met, we may not be able to proceed with the Listing. See Section 5.3.2 of this Prospectus for details in the event there is a delay or failure of our Listing.

4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES

Our Directors and Promoters, together with Mercury Securities have determined and agreed on the IPO Price of RM[•] per IPO Share, after considering the following factors:-

- (i) our competitive strengths, business strategies and future plans (see Sections 7.2 and 7.3 of this Prospectus);
- (ii) the overview and prospects of our industry (see Section 8 of this Prospectus);
- (iii) our Company's financial performance and operating history as set out in Sections 12 and 13 of this Prospectus. Our EPS of 3.71 sen (based on our audited PAT attributable to the owners of our Company of RM55.64 million for the FYE 2020 and our enlarged total number of 1,500,000,000 Shares upon Listing) represents an implied PE Multiple of approximately [•] times;
- (iv) our pro forma NA per Share of RM[•] after our IPO, computed based on the pro forma statement of financial position of our Company as at 31 December 2020 and our enlarged total number of 1,500,000,000 Shares upon Listing; and
- (v) the prevailing market conditions which include market performance of key global indices and companies which are in businesses similar to ours, as well as investors' sentiments.

Based on the IPO Price, the total market capitalisation of our Company will be approximately RM[•] million upon Listing.

You should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in our Shares. You are reminded to carefully consider the risk factors as set out in Section 5 of this Prospectus before deciding to invest in our Shares.

4.5 DILUTION

Dilution is the amount by which the IPO Price exceeds our consolidated NA per Share after our IPO. Our pro forma consolidated NA per Share as at 31 December 2020 immediately before adjusting for our IPO was RM0.13, based on the total number of issued Shares of 1,250,000,000 Shares of our Company after the Acquisition of Senheng KL, Share Split and immediately prior to our IPO.

Upon issuance of the Issue Shares and after adjusting for effects of the utilisation of gross proceeds raised from our IPO, our pro forma NA per Share as at 31 December 2020 would be RM[•] per Share based on our Company's enlarged total number of 1,500,000,000 Shares. This represents:-

- (i) an immediate increase in NA per Share of RM[•] to our existing shareholders; and
- (ii) an immediate dilution in NA per Share of RM[•], representing a [•]% dilution to our new investors.

4. DETAILS OF OUR IPO (CONT'D)

The following table illustrates such dilution on a per Share basis:-

	<u>RM</u>
IPO Price	[•]
Pro forma consolidated NA per Share as at 31 December 2020 after the Acquisition of Senheng KL, Share Split and before adjusting for our IPO	0.13
Pro forma consolidated NA per Share as at 31 December 2020 after adjusting for our IPO	[•]
Increase in pro forma consolidated NA per Share to our existing shareholders	[•]
Dilution in pro forma consolidated NA per Share to new investors	[•]
Dilution in pro forma consolidated NA per Share to new investors as a percentage to the IPO Price	[•]%

Save for the issuance of Shares to the Promoters pursuant to the Acquisition of Senheng KL and the Share Split, details of which are set out in Section 6.3 of this Prospectus, there has been no acquisition of any of our Shares by our Promoters, Directors, Key Senior Management, Substantial Shareholders and persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares from the date of our incorporation up to the date of this Prospectus.

4.6 USE OF PROCEEDS

We intend to use the gross proceeds from the Public Issue of RM[•] million in the following manner:-

<u>Details of use of proceeds</u>	<u>Estimated timeframe for use from the date of our Listing</u>	<u>RM'000</u>	<u>%</u>
(i) Enhance customer experience via upgrading our chain of retail stores	Within 36 months	[•]	[•]
(ii) Develop new brand distribution business	Within 36 months	[•]	[•]
(iii) Expand and upgrade our warehouse and logistics network	Within 36 months	[•]	[•]
(iv) Boost our digital infrastructure	Within 36 months	[•]	[•]
(v) Estimated listing expenses	Within 3 months	[•]	[•]
Total		<u>[•]</u>	<u>100.00</u>

As shown above, we intend to use most of our Public Issue proceeds to fund the upgrading of our chain of retail stores as well as to develop our new brand distribution business and boost our digital infrastructure. Further details of our use of gross proceeds from the Public Issue are set out below whilst further information on our business strategies and future plans are set out in Section 7.3 of this Prospectus.

4. DETAILS OF OUR IPO (CONT'D)

4.6.1 Enhance customer experience via upgrading our chain of retail stores

Our on-going business strategy is to enrich in-store customer experience and as such, we aim to be the territory champion within every 5-kilometre radius of our stores. We aim to be the largest in terms of floor space and have the largest variety of products so as to provide customers with a wholesome retail experience. Our focus is primarily on the quality of our individual stores whilst increasing the quantity of stores is secondary.

As at the LPD, we operate 1 “Grand Senheng Elite” store, 33 “Grand Senheng” stores, 39 “Senheng” stores and 30 “senQ” digital stations.

We intend to use approximately RM[•] million from the Public Issue to upgrade certain of our existing “Senheng” stores to “Grand Senheng” or “Grand Senheng Elite” stores, within 36 months from the date of our listing. In addition, we intend to launch a new store concept known as “Grand senQ” which is intended to be larger than the average existing “senQ” store (*further information on the key features of our physical store concepts are set out in Section 7.6.3(i) of this Prospectus*). We will also set up new outlets in previously underserved areas in Malaysia.

We intend to open 8 new “Grand Senheng Elite” stores, 30 new “Grand Senheng” stores, 6 new “Grand senQ” stores and 5 new “senQ” stores by the end of 2023. Most of our new “Grand Senheng Elite” stores, “Grand Senheng” stores and “Grand senQ” digital stations are intended to replace our existing “Senheng” stores and “senQ” digital stations with a few to be established in previously untapped localities. For the FYE 2021, we will be prioritising the replacement of our existing “Senheng” stores located in areas with high foot traffic with upgraded “Grand Senheng” and “Grand Senheng Elite” stores. Please refer to Section 7.3(i) of this Prospectus for the summary of new stores to be opened in 2021, 2022 and 2023.

The expansion and upgrading of our physical stores into new “Grand Senheng”, “Grand Senheng Elite” and “Grand senQ” stores would include securing the required retail space via long-term tenancies or even outright purchase of the property.

Any acquisition of properties is intended to be partially funded via bank borrowings to be obtained. We intend to allocate RM[•] million to partially cover the cost of acquiring up to 13 new properties to house our new “Grand Senheng” and “Grand Senheng Elite” stores with the balance to be funded via bank borrowings and internally-generated funds.

Notwithstanding our acquisition plans above, a majority of our new stores will be located in rental properties. We intend to allocate RM[•] million to partially cover the rental costs for up to 41 new stores to be opened. The total rental costs to be incurred will depend on amongst others, the location, size and type of property.

As at the LPD, we have not identified any properties to be acquired and we will consider the location, availability of properties as well as the market prices of commercial space in the geographical locations we intend to operate in when deciding to acquire or rent a new property.

In addition to the cost of acquiring and/or renting such properties, the capital expenditure required to set up new outlets include amongst others, the cost of renovations and fit-out work. We estimate that such set up costs are expected to range between RM1.30 million to RM1.60 million for each new “Grand Senheng Elite” store and “Grand senQ” digital station, between RM0.70 million to RM0.90 million for each new “Grand Senheng” store and between RM0.70 million to RM0.80 million for each new “senQ” digital station, depending on the location, size and layout.

4. DETAILS OF OUR IPO (CONT'D)

Based on our expansion and upgrading plans, we estimate the total set up costs for the new stores will be approximately RM48.75 million. We intend to allocate RM[•] million from the proceeds of the Public Issue to partially cover the set up costs of the new stores, with the balance to be funded via bank borrowings and/or internally-generated funds

Further information on our store expansion and enhancement plans are set out in Section 7.3(i) of this Prospectus.

4.6.2 Develop new brand distribution business

The product we carry and offer in our stores are mainly supplied by the respective brand principals or local distributors of such products. As part of our efforts to offer a wider selection of products to our customers, we have ventured into importing and distributing international brands with minimal or no prior market presence in Malaysia.

As at the LPD, we are the local distributor for two international brands, namely, "ROBAM" high-end kitchen appliances and "JIMMY" vacuum cleaners. We have been looking out to other countries to identify suitable brands, with a focus on kitchen appliances, home electricals, personal and beauty care appliances and IoT products which we believe have the potential to be accepted by Malaysian consumers. We are also currently in the midst of launching our own range of cookware products under our house brand "Delighto".

We intend to use approximately RM[•] million from the Public Issue to further develop our brand distribution business in Malaysia. The costs relating to the development of this new business are mainly in relation to the purchase of inventory from the brand principals and the marketing expenses relating to the launch and introduction of the brand to the market. The total costs to be incurred will depend on the terms negotiated with the respective brand principals.

Further information on our brand distribution business is set out in Section 7.3(ii) of this Prospectus.

4.6.3 Expand and upgrade our warehouse and logistics network

Our Group's products are distributed throughout our stores and delivered to our end-customers through our centralised logistics model. As at the LPD, our logistics network comprises our CDC in Klang, 8 other regional hubs throughout Malaysia as well as a fleet of our own delivery vehicles and third-party service providers to make deliveries in instances where it is more cost-efficient to do so.

Further information on our warehouse and logistics network are set out in Section 7.8.2 of this Prospectus.

We intend to scale up our logistics network to support our Group's growth in the number and size of our physical stores as well as future growth in our brand distribution business. Depending on the location and sales volume of our physical stores in the future, our expansion plans may include expanding our existing CDC or our regional hubs including the construction of new regional hubs.

We intend to use approximately RM[•] million from the Public Issue to finance the cost of acquiring new lands and the construction cost of new warehouses.

4. DETAILS OF OUR IPO (CONT'D)

As at the LPD, we have not finalised any plans to acquire or construct any new warehouses. The exact location and size of any land to be acquired are subject to our requirements at that point in time and is dependent on other local factors such as price and availability. Any shortfall in the allocated proceeds to fund the acquisition of land and construction of warehouses will be funded via internally generated funds and/or bank borrowings.

4.6.4 Boost our digital infrastructure

Since 2015, we have undertaken a digital transformation of our business to keep pace with the growth in the scale of our business. Further information on our digital transformation efforts and future plans to boost our digital infrastructure is set out in Section 7.2(vii) and Section 7.3(iv) of this Prospectus, respectively. Our efforts to boost our digital infrastructure are ongoing and currently comprise the following initiatives:-

(i) Establishing a data lake and upgrading existing technology platforms

We intend to upgrade our current data repository system to a centralised data repository platform known as a data lake. In conjunction with this, we intend to establish a customer data platform, upgrade our existing marketing platform, integrate our business intelligence system and switch to a headless microservices architecture.

(ii) Cloud-based disaster recovery system

We intend to supplement our existing physical standby disaster recovery system with a cloud-based server which backs up data in real time and enables us to recover and transfer data within a shorter time.

(iii) Maintain our digital infrastructure

We intend to carry out continuous enhancements to our cybersecurity systems and continue optimising our online advertisements through use of business analytics.

We intend to use approximately RM[•] million to fund the above enhancements and step-ups to our digital infrastructure. Further details of our breakdown are as follows:-

Digital infrastructure enhancements	RM'000
(i) Establishing a data lake and upgrading existing technology platforms ⁽¹⁾	[•]
(ii) Cloud-based disaster recovery system ⁽²⁾	[•]
(iii) Maintain our digital infrastructure ⁽²⁾	[•]
Total	[•]

Notes:-

- (1) Includes the development cost of a data lake, the application programming interface and other business applications.
- (2) Includes the software development cost as well as annual server expenses and support and maintenance cost.

4. DETAILS OF OUR IPO (CONT'D)

4.6.5 Estimated listing expenses

The estimated expenses and fees for our IPO and Listing to be borne by us are estimated to be RM[•] million, details of which are as follows:-

Expenses	RM'000
(i) Professional fees	[•]
(ii) Brokerage, underwriting and placement fees	[•]
(iii) Fees payable to authorities	[•]
(iv) Fees and expenses relating to printing of Prospectus and advertising	[•]
(v) Miscellaneous expenses and contingencies	[•]
Total	[•]

If the actual listing expenses are higher than budgeted above, the deficit will be funded from the proceeds allocated for the expansion and upgrading of our network of physical stores described in Section 4.6.1 of this Prospectus and vice versa.

Pending the eventual use of the gross proceeds from the Public Issue for the above intended purposes, the funds will be placed in short-term deposits with licensed financial institutions and/or short-term money market instruments.

We will not receive any proceeds from the Offer for Sale. The Offer for Sale will raise gross proceeds of approximately RM[•] million which will accrue entirely to our Offerors. Our Offerors will be bearing their own placement fees in respect of our IPO.

4.7 BROKERAGE, UNDERWRITING COMMISSION AND PLACEMENT FEES

For the services of our Underwriter and Placement Agent in managing the distribution of the IPO Shares, we will pay a non-refundable management fee at the rate of 0.30% of the total value of all the IPO Shares under both Retail Offering and Institutional Offering. The management fee is subject to the taxes prevailing in Malaysia.

4.7.1 Brokerage fee

We will pay brokerage fee in respect of the 30,000,000 Issue Shares under the Retail Offering at the rate of 1.00% of the IPO Price for successful applications which bear the stamp of participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association in Malaysia and/or the Issuing House. The brokerage fee is subject to the taxes prevailing in Malaysia.

4.7.2 Underwriting commission

Our Underwriter has agreed to underwrite all the Underwritten Shares. Notwithstanding this, the final number of IPO Shares to be taken up by our Underwriter and/or its nominees shall be such remaining Underwritten Shares not applied for after being subject to clawback and reallocation provisions set out in Section 4.3.4 above. We are obliged to pay our Underwriter an underwriting commission at the rate of 1.50% of the total value of the Underwritten Shares underwritten at the IPO Price. The underwriting commission is subject to the taxes prevailing in Malaysia.

4. DETAILS OF OUR IPO (CONT'D)

4.7.3 Placement fee

Our Placement Agent has agreed to place out 337,000,000 IPO Shares under the Institutional Offering.

We are obliged to pay our Placement Agent a placement fee at the rate of 1.50% of the total value of the Issue Shares successfully placed out to investors at the IPO Price. The placement fee is subject to the taxes prevailing in Malaysia.

The Offerors will bear the placement fee in respect of the Offer Shares.

4.8 UNDERWRITING AGREEMENT

Pursuant to the Underwriting Agreement, our Underwriter has agreed to underwrite all the 52,500,000 IPO Shares under the Retail Offering. Notwithstanding this, the final number of Issue Shares to be taken up by our Underwriter and/or its nominees shall be such remaining Issue Shares under the Retail Offering not applied for after being subject to clawback and reallocation provisions set out in Section 4.3.4 above. Details of the underwriting commission are set out in Section 4.7.2 above.

The salient terms of the Underwriting Agreement which, amongst others, may allow the Underwriter to withdraw from its obligations are as follows:-

[•]

4. DETAILS OF OUR IPO (CONT'D)

4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET

Pursuant to subsection 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Security. Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through CDS (which is operated by Bursa Depository). This will be effected in accordance with the provisions of SICDA and the Rules of Bursa Depository. Accordingly, our Company will not deliver share certificates to the subscribers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain the Shares in CDS Accounts, either directly in their name or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as the shareholders of our Company 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 fee of RM10 payable for each transfer not transacted on the market.

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

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of non-equity 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 for 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 shall trade under the odd lot market. Settlement and payment of trades done on a "ready" basis on Bursa Securities generally takes place on the third Market Day following the transaction date.

It is expected that our Shares will not commence trading on Bursa Securities until about 10 Market Days after the close of our IPO. Holders of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfers to other CDS Accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.