

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 and will make an announcement on the website of Bursa Securities.

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 128,800,000 Shares, representing 25.76% 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 78,800,000 Issue Shares (representing 15.76% of the enlarged total number of Shares) at the IPO Price, payable in full on application, will be allocated in the following manner:

(a) Malaysian Public (via balloting)

25,000,000 Issue Shares (representing 5.00% 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**

10,000,000 Issue Shares (representing 2.00% 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	400,000
Eligible employees of our Group ⁽²⁾	Up to 200	4,600,000
Other persons who have contributed to the success of our Group ⁽³⁾	Up to 10	5,000,000
Total	Up to 214	10,000,000

Notes:

- (1) Excluding Tan Sri Joseph, Datuk Jonathan, Datuk Jessica and Johannes Lo who will not be allocated any IPO Shares. The number of IPO Shares allocated to our Directors are as follows:

Name	Designation	No. of IPO Shares allocated
Datuk Anjin Bin Ajik	Independent Non-Executive Director	100,000
Chua Chai Hua	Independent Non-Executive Director	100,000
Chung Yue Lin @ Erica	Independent Non-Executive Director	100,000
Emmeline Michael Paitin	Independent Non-Executive Director	100,000
Total		400,000

- (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 (excluding Johannes Lo) under the Pink Form Allocation is as follows:

Name	Designation	No. of IPO Shares allocated
Datuk Ir. Wong Chung Teck @ George Wong	Head of Projects	200,000
Chiang Chung Wing @ Edwin Chiang	Head of Procurement	120,000
Lai Vui Kiong	Head of Corporate Affairs and Finance	60,000
Wong Shing Yee	Head of Accounts	20,000
Chong Mui Har	Head of HR and Administration	120,000
Total		520,000

- (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 institutional and selected investors

43,800,000 Issue Shares (representing 8.76% 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 RM71,669,805 comprising 421,200,000 Shares to RM[●] comprising 500,000,000 Shares

4. DETAILS OF OUR IPO (CONT'D)

4.3.2 Offer for Sale

The Offerors are offering 50,000,000 Offer Shares (representing 10.00% of our enlarged total number of Shares), at the IPO Price by way of private placement to institutional and selected investors. 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⁾
Tan Sri Joseph Lot 1-8 Puteri Damai Lorong Alpha, Jalan Damai 88300 Kota Kinabalu Sabah	Our Non-Independent Executive Chairman, Promoter and Substantial Shareholder	33,249,200	7.89	33,249,200	6.65	-	-
Datuk Jonathan Lot 1-8 Puteri Damai Lorong Alpha, Jalan Damai 88300 Kota Kinabalu Sabah	Our Non-Independent Managing Director, Promoter and Substantial Shareholder	16,750,800	3.98	16,750,800	3.35	-	-

Notes:

- (1) Based on the total number of 421,200,000 Shares after the Acquisitions and Share Split but before our IPO.
(2) Based on the enlarged total number of 500,000,000 Shares after taking into account of the new Shares issued pursuant to the Public Issue.

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	12,500,000	2.50	-	-	12,500,000	2.50
▪ Non-Bumiputera	12,500,000	2.50	-	-	12,500,000	2.50
Eligible Persons	10,000,000	2.00	-	-	10,000,000	2.00
Institutional Offering						
(by way of private placement)						
Institutional and selected investors	43,800,000	8.76	50,000,000	10.00	93,800,000	18.76
Total	78,800,000	15.76	50,000,000	10.00	128,800,000	25.76

Note:

(1) Based on the enlarged total number of 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 Sole Placement Agent, in consultation with our Company, to be in the best interest of our Company. Our Sole 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.

4.3.4 Clawback and reallocation

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

- (i) 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
- (ii) 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.

4. DETAILS OF OUR IPO (CONT'D)

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 Sole Underwriter, subject to the clawback and reallocation set out above.

4.3.5 Share capital

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

	No. of Shares	RM
Issued share capital as at [the LPD]	421,200,000	71,669,805
New Shares to be issued pursuant to the Public Issue	78,800,000	⁽¹⁾ [●]
Enlarged issued share capital upon Listing	<u>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. DETAILS OF OUR IPO (CONT'D)

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.

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. DETAILS OF OUR IPO (CONT'D)

4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES

Our Directors and Promoters, together with Interpac, 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 5.20 sen (based on our audited PAT attributable to the owners of our Company of RM25.98 million for the FYE 2023 and our enlarged total number of 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 2023 and our enlarged total number of 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 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 2023 immediately before adjusting for our IPO was RM0.21, based on the total number of issued Shares of 421,200,000 Shares of our Company after the Acquisitions, 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 2023 would be RM[●] per Share based on our Company's enlarged total number of 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 2023 after the Acquisitions, Share Split and before adjusting for our IPO	0.21
Pro forma consolidated NA per Share as at 31 December 2023 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 Acquisitions and the Share Split, details of which are set out in Section 6.3 of this Prospectus, as well as the IPO Shares allotted to them pursuant to the Pink Form Allocation as set out in Section 4.3.1(b) above, 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 our construction capabilities	Within 36 months	[•]	[•]
(ii) Working capital for our construction projects	Within 12 months	[•]	[•]
(iii) Repayment of bank borrowings	Within 6 months	[•]	[•]
(iv) Estimated listing expenses	Within 3 months	[•]	[•]
Total		<u>[•]</u>	<u>[•]</u>

As shown above, we intend to use most of our Public Issue proceeds for repayment of bank borrowings and enhance our construction capabilities, fund our ongoing construction projects and tender for more road infrastructure projects. 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 Enhancing our construction capabilities

Our ongoing business strategy is to focus on and enhance our core strengths in road infrastructure construction. Our capacity to undertake construction projects and execute them within a competitive timeframe is dependent on amongst others, the ready availability of construction machinery and equipment to undertake the various types of construction works required for any given project. During the Period under Review, we have subcontracted portions of our projects to subcontractors who possess the necessary construction machinery and equipment. Our Group also has our own fleet of construction machinery and equipment, further details of which are set out in Section 7.19 of this Prospectus.

We intend to allocate approximately RM[●] million from the Public Issue to enhance our construction capabilities in the following manner:

- (i) expand our existing fleet of construction machinery and equipment in order to both enhance our construction capabilities and reduce our reliance on subcontractors and equipment leasing suppliers; and
- (ii) invest in technological upgrades such as autonomous vehicle control modules for our existing vehicles, LiDAR-equipped drones and handheld augmented reality surveying equipment.

We intend to acquire construction machinery and equipment such as excavators, dump trucks, motor graders, bulldozers and staff vehicles such as light trucks and SUVs. An increase in our fleet size will enable us to improve our operational efficiency as we can better manage the use of our own fleet to undertake more construction works as opposed to relying on external subcontractors to perform such works.

In order to maximise the utilisation of our fleet of construction machinery and equipment, we only intend to acquire such machines if such machines are required for our projects, and we do not own a sufficient number of machines. Based on our order book as at the LPD, we intend to spend approximately RM30.00 million from the LPD until end-2025 to acquire construction machinery and equipment and staff vehicles.

We also intend to spend approximately RM2.50 million from the LPD until end-2025 to increase our number of construction vehicles equipped with autonomous vehicle control modules to 9 vehicles (up from 3 as at the LPD), purchase 1 additional LiDAR-equipped drone and purchase its first 4 sets of handheld augmented reality surveying equipment. Please refer to Section 7.10 of this Prospectus for further information on the technologies used by our Group.

From the LPD until the receipt of our IPO proceeds, we may proceed to acquire the above-mentioned machineries, equipment and vehicles by utilising our internally generated funds and/or bank borrowings. Upon the completion of our Proposed Listing, we will utilise the proceeds received from our Public Issue to enhance our construction capabilities to replenish our internally generated funds and/or repayment of bank borrowings.

4. DETAILS OF OUR IPO (CONT'D)

4.6.2 Working capital for our construction projects

Our capacity to undertake construction projects is dependent on amongst others, our ability to secure new projects and our ability to fund our construction operations. For information, in order to qualify to tender for certain large scale government contracts, a prospective main contractor needs to demonstrate that it has sufficient amounts of financial resources to ensure the smooth implementation of the project. The evaluation of a contractor's financial resources would also take into consideration the cashflow requirements of other government construction projects already secured.

Our working capital requirements encompass cost of sales components and financing costs relating to performance bonds and retention sums. The core components of our cost of sales encompass subcontractor costs, construction materials, direct labour costs as well as project overhead and related costs. Together, these costs accounts for over 85% of our cost of sales during the Period under Review.

We intend to allocate approximately RM[●] million of our IPO proceeds for our general working capital which will improve our liquidity and cashflow position, allowing us to reduce our reliance on external financing to support our day-to-day construction operations and allow us to qualify to bid for a larger number of road infrastructure construction projects as and when such opportunities arise, thereby fostering growth in our business operations.

We are currently funding our working capital requirements through project financing facilities secured with banks as well as receipt of progress billings from our customers. As part of our internal cashflow plan, we also utilise overdraft facilities and revolving credit facilities to bridge the funding gap between disbursing payments to the subcontractors and suppliers and the receipt of progress billings from our customers.

The above allocation would reduce our finance costs associated with banking facilities as well as free up more of our internally-generated funds, which would otherwise be used to meet such contractual obligations. This will improve our financial position, allowing for us to tender for more road infrastructure projects.

4.6.3 Repayment of bank borrowings

As at the LPD, our Group's total borrowings amounted to approximately RM162.54 million. We intend to use RM[●] million from the proceeds of the Public Issue to partially repay a revolving credit line with an outstanding amount of RM49.98 million as at the LPD granted by CIMB Bank Berhad.

The revolving credit line was obtained by Pembinaan AJ in 2018 to finance the working capital required for the execution of construction projects awarded by the Government to Pembinaan AJ. This includes financing of performance guarantees, purchase of construction materials and payment to subcontractors.

The revolving credit line to be repaid from the proceeds of the Public Issue bears a weighted average effective interest rate of 6.20% for the FYE 2023. From the LPD until the full repayment of these facilities, we will continue to service the monthly principal payments and interest expenses of these facilities from internally generated funds.

The repayment of the revolving credit line is expected to have a positive financial impact on our Group with interest savings of approximately RM[●] million per annum based on the weighted average effective interest rate of 6.20%.

Further information on our bank borrowings are set out in Section 12.4.3 of this Prospectus.

4. DETAILS OF OUR IPO (CONT'D)

4.6.4 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 general working capital described in Section 4.6.2 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 Interpac, being our Sole Underwriter and Sole Placement Agent in managing the distribution of the IPO Shares, we will pay a non-refundable management fee at the rate of 0.50% 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 25,000,000 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 Sole Underwriter has agreed to underwrite all the Underwritten Shares. Notwithstanding this, the final number of IPO Shares to be taken up by our Sole Underwriter 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 Sole Underwriter an underwriting commission at the rate of 1.75% 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 Sole Placement Agent has agreed to place out 93,800,000 IPO Shares under the Institutional Offering.

We are obliged to pay our Sole Placement Agent a placement fee at the rate of 1.75% 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 Sole Underwriter has agreed to underwrite all the 35,000,000 IPO Shares under the Retail Offering. Notwithstanding this, the final number of Issue Shares to be taken up by our Sole Underwriter 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 Sole 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.