

4. PARTICULARS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION

The period for Application will open at 10.00 a.m. on [•] and will remain open until 5.00 p.m. on [•]. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Tentative Dates
Issuance of this Prospectus/Opening of Application for our IPO	[•]
Closing Date	[•]
Balloting of the Application for our IPO Shares	[•]
Allotment of our IPO Shares to successful applicants	[•]
Date of Listing	[•]

In the event there is any change to the timetable, we will advertise the notice of the changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

4.3 DETAILS OF OUR IPO

4.3.1 Public Issue

A total of 49,000,000 Issue Shares, representing 14.0% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(a) Malaysian Public

17,500,000 Issue Shares, representing 5.0% of our enlarged share capital, will be made available for application by the Malaysian Public, to be allocated via balloting process as follows:

- (i) 8,750,000 Issue Shares made available to public investors; and
- (ii) 8,750,000 Issue Shares made available to Bumiputera public investors.

(b) Our eligible employees and persons who have contributed to the success of our Group

8,750,000 Issue Shares, representing 2.5% of our enlarged share capital, will be reserved for our eligible employees and persons who have contributed to the success of our Group under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.3.

(c) Private placement to selected investors

22,750,000 Issue Shares, representing 6.5% of our enlarged share capital, have been reserved for private placement to selected investors.

The basis of allocation for the Issue Shares shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors. There is no over-allotment or "greenshoe" option that will result in an increase in the number of our IPO Shares.

Our Public Issue is subject to the terms and conditions of this Prospectus.

4. PARTICULARS OF OUR IPO (Cont'd)

4.3.2 Offer for Sale

A total of 30,000,000 Offer Shares, representing 8.6% of our enlarged share capital, are offered by our Selling Shareholders to selected investors by way of private placement at our IPO Price. Our Offer for Sale is subject to the terms and conditions of this Prospectus.

The details of our Selling Shareholders and their relationship with our Group are as follows:

Name / Address	Relationship with our Group	⁽¹⁾ Before IPO		Offer Shares offered			After IPO	
		No. of Shares	%	No. of Shares	⁽²⁾ %	⁽³⁾ %	No. of Shares	⁽³⁾ %
Jason Koh Jian Hui / 282-1 Lorong Dato Ahmad Jalan Khalidi 84000 Muar Johor	Promoter, substantial shareholder and Managing Director	130,746,875	43.4	15,000,000	5.0	4.3	115,746,875	33.1
Koh Cheng Huat / 10, Jalan Kasturi Off Jalan Utara Bukit Bakri 84200 Muar Johor	Promoter, substantial shareholder and Executive Director	130,746,875	43.4	15,000,000	5.0	4.3	115,746,875	33.1

Notes:

- ⁽¹⁾ As at LPD, after completion of the Acquisition of Ecomate but before the Public Issue and Offer for Sale.
- ⁽²⁾ Based on the share capital of 301,000,000 Shares before the IPO.
- ⁽³⁾ Based on our enlarged share capital of 350,000,000 Shares after the IPO.

Further details of Jason Koh Jian Hui and Koh Cheng Huat, who are also our Promoters and substantial shareholders can be found in Section 5.1.

4. PARTICULARS OF OUR IPO (Cont'd)**4.3.3 Pink Form Allocations**

We have allocated 8,750,000 Issue Shares to our eligible Directors and employees as well as persons who have contributed to the success of our Group under the Pink Form Allocations as follows:

Category	No. of eligible persons	Aggregate no. of Issue Shares allocated
Our eligible Directors	3	600,000
Our eligible employees	40	1,400,000
Persons who have contributed to the success of our Group	28	6,750,000
	71	8,750,000

Entitlements which are not accepted by our eligible Directors, eligible employees and persons who have contributed to the success of our Group will be re-allocated to the other eligible Directors as set out in the table below and other eligible employees and persons who have contributed to the success of our Group at the discretion of our Board.

(a) Allocation to our eligible Directors

The criteria for allocation to our eligible Directors are based on their anticipated contribution to our Group. Jason Koh Jian Hui (our Group Managing Director) and Koh Cheng Huat (our Executive Director) have opted not to participate in the Pink Form Allocations as they are already our substantial shareholders and Selling Shareholders.

Details of the proposed allocation to our other Directors are as follows:

Name	Designation	No. of Issue Shares allocated
Tan Sri Datuk Hussin Bin Haji Ismail	Independent Non-Executive Chairman	200,000
Datuk Lee Ching Yong	Independent Non-Executive Director	200,000
Lim Yik Hui	Independent Non-Executive Director	200,000
		600,000

(b) Allocation to our eligible employees

The criteria of allocation to our eligible employees (as approved by our Board) are based on, inter-alia, the following factors:

- (i) Our employees must be an eligible and confirmed employee and on the payroll of our Group;
- (ii) The number of shares allocated to our eligible employees are based on their seniority, position, their length of service and their respective contribution made to our Group as well as other factors deemed relevant to our Board; and
- (iii) Full time employee of at least 18 years of age.

4. PARTICULARS OF OUR IPO (Cont'd)

Included in the allocation to our eligible employees are the proposed allocations to our key senior management:

Name	Designation	No. of Issue Shares allocated
Yau Chwan Shy	Chief Financial Officer	300,000
Tey Foo Yee	Factory Manager	300,000
Tan Mei Hwa	Purchasing Manager	150,000
M. Farouk Bin Abdullah	Quality Control Assistant Manager	100,000
		850,000

Tei Kwee Lan, our General Manager has opted not to participate in the Pink Form Allocations as she is the spouse of Koh Cheng Huat (our Executive Director) who is already our substantial shareholder and Selling Shareholder.

(c) Allocation to persons who have contributed to the success of our Group

The number of IPO Shares to be allotted to those persons who have contributed to the success of our Group shall be based on amongst others, the nature and terms of their business relationship with us, length of their relationship with us and the level of contribution and support to our Group. Persons who have contributed to the success of our Group are our suppliers.

4.4 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M&A Securities, as our Adviser, Sponsor, Underwriter and Placement Agent, after taking into consideration the following factors:

- (a) The PE Multiple of approximately [•] times based on our EPS of 1.94 sen for FYE 2020, calculated based on our PAT for FYE 2020 of RM5.8 million, and our enlarged share capital of 350,000,000 Shares upon Listing;
- (b) Our pro forma combined NA per Share as at 31 August 2020 after our IPO of RM[•] based on our combined NA as at 31 August 2020 of RM[•] million (after the Public Issue and utilisation of IPO proceeds) and our enlarged share capital of 350,000,000 Shares upon Listing;
- (c) Our historical financial track record for FYE 2018 to 2020 and FPE 2021 summarised as follows:

	Audited			
	FYE 2018	FYE 2019	FYE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	9,670	24,141	42,398	19,919
GP	2,307	6,762	12,854	6,679
PAT	204	3,341	5,827	3,852

- (d) Our competitive strengths as set out in Section 6.8; and
- (e) Our Group's business strategies and prospects as further described in Section 6.19.

4. PARTICULARS OF OUR IPO (Cont'd)

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 them. You are reminded to carefully consider the risk factors as set out in Section 8 before deciding to invest in our Shares.

4.5 SHARE CAPITAL, CLASSES OF SHARES AND RANKING

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

Details	No. of Shares	RM
As at the date of this Prospectus	301,000,000	7,374,502
To be issued pursuant to our Public Issue	49,000,000	[•]
Enlarged share capital upon our Listing	350,000,000	[•]

Our Offer for Sale will not have any effect on our share capital.

As at the date of this Prospectus, we have only 1 class of shares, being ordinary shares, all of which rank equally amongst one another.

The Issue Shares will, upon allotment and issue, rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares.

The Offer Shares rank equally in all respects with our existing ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount of Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus in the event of the liquidation of our Group, in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meeting in person, or by proxy or by attorney or by other duly authorised representative. Every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have 1 vote for each ordinary share held.

4.6 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:

- (a) To provide an opportunity for the Malaysian Public, our eligible Directors and employees as well as persons who have contributed to the success of our Group to participate in our equity;
- (b) To enable our Group to raise funds for the purposes specified in Section 4.9;

4. PARTICULARS OF OUR IPO (Cont'd)

- (c) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise; and
- (d) To gain recognition through our listing status which will enhance our Group's reputation in the marketing of our furniture products and to retain and attract new, skilled employees in the furniture industry.

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and our enlarged share capital of 350,000,000 Shares upon Listing, our total market capitalisation is estimated to be RM[•] upon Listing.

4.8 DILUTION

Dilution is the amount by which our IPO Price exceeds the pro forma combined NA per Share immediately after our IPO. The following table illustrates such dilution on a per Share basis:

	RM
IPO Price	[•]
Pro forma combined NA per Share as at 31 August 2020 after taking into account the Acquisition of Ecomate and before Public Issue	0.02
Pro forma combined NA per Share as at 31 August 2020 after taking into account the Acquisition of Ecomate, Public Issue and utilisation of IPO proceeds	[•]
Increase in pro forma combined NA per Share to existing shareholders	[•]
Dilution in the pro forma combined NA per Share to our new public investors	[•]
Dilution in the pro forma combined NA per Share as a percentage of our IPO Price	[•]

Further details of our pro forma combined NA per Share as at 31 August 2020 is set out in Section 13.

The following table shows the average effective cost per Share paid by our existing shareholders for our Shares since our incorporation up to the date of this Prospectus:

Shareholders	⁽¹⁾No. of Shares	Total consideration	Average effective cost per Share
		RM	RM
Jason Koh Jian Hui	⁽²⁾ 130,746,875	3,203,299	0.02
Koh Cheng Huat	⁽²⁾ 130,746,875	3,203,299	0.02
BYD Capital Sdn Bhd	10,158,750	248,889	0.02
Mamba Capital Sdn Bhd	14,673,750	359,507	0.02
Koda Capital Sdn Bhd	14,673,750	359,507	0.02
	301,000,000	7,374,502	0.02

4. PARTICULARS OF OUR IPO (Cont'd)**Notes:**

- (1) Issued pursuant to the Acquisition of Ecomate.
- (2) Includes 2 subscriber shares allotted to them upon the incorporation of our Company.

Save as disclosed above and the Pink Form Allocations to our eligible Directors and key senior management, there has been no acquisition or subscription of any of our Shares by our Directors or key senior management, substantial shareholders or persons connected to them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 3 years up to LPD.

4.9 UTILISATION OF PROCEEDS**4.9.1 Public Issue**

The estimated gross proceeds arising from the Public Issue of approximately RM[•] million shall accrue entirely to us and will be utilised in the following manner, which is estimated based on the latest prices and quotations where available, as well as management estimates based on its experience.

Utilisation of proceeds	Reference	Estimated timeframe for utilisation from date of Listing	RM'000	%
Machinery and equipment	(a)	12 months	[•]	[•]
Factory and hostel construction	(b)	24 months	[•]	[•]
Purchase of raw material	(c)	6 months	[•]	[•]
Estimated listing expenses	(d)	Immediate	[•]	[•]
			[•]	100.0

Pending the utilisation of the proceeds to be raised from our Public Issue, the funds will be placed with licensed financial institutions as deposits.

(a) Machinery and equipment

We have allocated RM[•] million for the acquisition of new machinery and equipment for Factory A, to be funded by proceeds from the IPO. The said machinery and equipment will provide us an incremental capacity of 79,200 units per year details as follows:

Type of machinery	No. of units	Total estimated cost RM million
Production line comprising: - edge banding machine - panel saw - CNC machine - air compressor - dust collection system and including installation and commission works	1	[•]

4. PARTICULARS OF OUR IPO (Cont'd)

Type of machinery	No. of units	Total estimated cost	
		RM million	
Screw packing machinery	2		[•]
Forklifts	2		[•]
			[•]

The aforementioned machinery and equipment are to be used in Factory A after we have freed up the needed space of approximately 13,000 sq ft by renting a new warehouse measuring approximately 19,200 sq ft, in line with our future plans, which are further detailed in Section 6.19.1. As at LPD, there is insufficient space in Factory A to fit such machinery and equipment. With the new rented warehouse made available in August 2021, some of the raw materials and finished products will be shifted there, leaving Factory A sufficient space for these new machinery and equipment.

The new line comprises machinery and equipment with more automated components, particularly auto-conveyors, which have more functionality such as 90-degrees turning, and newer features such as corner-rounding which will allow the Group to produce different variations of furniture with less manual labour. As such, these machinery and equipment to be acquired are more expensive.

All the above machinery and equipment will be purchased locally.

(b) Factory and hostel construction

We have allocated RM[•] million for the construction of a third factory ("Factory C") under the first phase of our future production plant in Muar Furniture Park. The construction of Factory C is expected to cost a total of RM9.0 million for 1 block of single storey factory building with a total built-up area of 60,000 sq ft which is expected to house up to 3 additional production lines and 1 block of four-storey detached hostel. This is to continue expanding our production capacity to sustain our growth.

As at LPD, Ecomate has paid 80% of the purchase price of the 4 plots of lands acquired in Muar Furniture Park (as disclosed in Section 6.17.3) as progress payment for the completion of site clearing, earthworks, drainage works and road works. The remaining 20% will be paid upon completion of water reticulation, electricity and infrastructure works.

Based on the MFP SPAs, vacant possession of the lands is to be delivered to Ecomate within 36 months from the dates of the MFP SPAs in which case it will be latest by March 2022 (PLO 42 and PLO 70) and April 2022 (PLO 68 and PLO 69) subject to the payment of the entire purchase price. Nonetheless, we are allowed access to the lands to commence the construction of Factory C and the hostel even though the titles of these lands has yet to transfer. It is our intention to commence the construction of Factory C and the hostel as soon as practicable and we expect to do so in the last quarter of 2021. Further details of the timeline for the construction of Factory C is set out in Section 6.19.1.

We will finance the balance construction cost of Factory C not funded by the proceeds of the Public Issue via bank borrowings and/or internally-generated funds.

4. PARTICULARS OF OUR IPO (Cont'd)**(c) Purchase of raw material**

Approximately RM[•] million of the proceeds raised from our Public Issue has been earmarked for the purchase of raw materials to support our production activities.

Our main raw materials are particle boards and MDF which will be used in the production of our furniture products. During FYE 2020, our total purchase of particle boards and MDF was RM11.3 million.

(d) Estimated listing expenses

The amount of RM[•] million is allocated to meet the estimated cost for our Listing. If our actual listing expenses are higher than the amount budgeted, the deficit will be funded out of the portion allocated for purchase of raw materials. Conversely, if our actual listing expenses are lower than the amount budgeted, the excess will be utilised to purchase raw materials. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Description	RM'000
Printing and advertising fees	[•]
Professional fees ⁽¹⁾	[•]
Underwriting, placement and brokerage fees	[•]
Miscellaneous ⁽²⁾	[•]
	<u>[•]</u>

Notes:

- (1) Includes advisory fees for, amongst others, our Principal Adviser, Solicitors, Reporting Accountants, IMR and Issuing House.
- (2) Other incidental or related expenses, including contingencies in connection with our IPO.

4.9.2 Offer for Sale

The Offer for Sale is expected to raise gross proceeds of approximately RM[•] million which will accrue entirely to our Selling Shareholders and we will not receive any of the proceeds.

The Selling Shareholders shall bear all of the expenses relating to the Offer Shares, the aggregate of which is estimated to be approximately RM[•] million.

4.10 UNDERWRITING AND PLACEMENT ARRANGEMENT, COMMISSION AND BROKERAGE**4.10.1 Underwriting arrangement and commission**

Our Underwriter will underwrite 26,250,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We are obliged to pay our Underwriter an underwriting commission of 3.0% of the total value of the underwritten Shares at our IPO Price.

4. PARTICULARS OF OUR IPO (Cont'd)

Any of our Issue Shares which are not subscribed for by the Malaysian Public or Pink Form Allocations will be made available to selected investors via private placement. If all of our Issue Shares offered to the Malaysian Public are oversubscribed, shares not subscribed for under the Pink Form Allocations, if any, will be made available for application by the Malaysian Public. Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

4.10.2 Placement arrangement and commission

The balance 22,750,000 Issue Shares from the Public Issue and 30,000,000 Offer Shares available for application by selected investors will not be underwritten and shall be placed out by our Placement Agent.

We are obliged to pay our Placement Agent a placement fee of 2.5% of the value of those Issue Shares to be placed out to selected investors by our Placement Agent at our IPO Price. The placement fee of 2.5% of the value of those Offer Shares to be placed out to selected investors by our Placement Agent at our IPO Price will be borne entirely by the Selling Shareholders.

4.10.3 Brokerage fees

Brokerage is payable in respect of the Issue Shares at the rate of 1.0% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or Issuing House.

4.10.4 Minimum and over-subscription

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders to comply with the public spread requirements as set out in the Listing Requirements or as approved by Bursa Securities.

In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Directors.

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 26,250,000 Issue Shares ("**Underwritten Shares**").

The following are the salient terms contained in the Underwriting Agreement. The capitalised terms used in this section shall have the respective meanings as ascribed thereto in the Underwriting Agreement:

4. PARTICULARS OF OUR IPO (Cont'd)

- 1.1 Our Company irrevocably appoints the Underwriter as the underwriter of the Underwritten Shares and the Underwriter accepts its appointment on the terms and conditions in the Underwriting Agreement.
- 1.2 The obligations of the Underwriter under the Underwriting Agreement shall further be conditional upon ("**Conditions**"):
- (a) The Underwriter receiving a certificate issued by our Company, one dated the date of registration of the Prospectus and the other dated the Closing Date, both of which are to be signed by a director of our Company on behalf of our Board stating amongst others that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence to the representations, warranties and undertakings as set out in the Underwriting Agreement and being provided with the reports or confirmation and being satisfied at the date of registration of this Prospectus and on the Closing Date that:
 - (i) no material change or any development likely to result in a material adverse change in the financial position, business operations or conditions (financial or otherwise) of our Group from that subsequent to the date of the Underwriting Agreement; or
 - (ii) there has not occurred any event or the discovery of any facts or circumstances which would render any representations, warranties or undertakings as set out in the Underwriting Agreement materially untrue or inaccurate or result in a material breach of the Underwriting Agreement by our Company;
 - (b) The Underwriting Agreement being duly signed by all parties and stamped within the statutory time frame;
 - (c) The registration of the Prospectus and such other documents as may be required in accordance with the CMSA in relation to the IPO with the SC and its lodgement with the ROC by the date of issuance of this Prospectus;
 - (d) All the approvals of the Listing Scheme by Bursa Securities, the SC, and the directors and shareholders of our Company via a circular board resolution and general meeting, remain in full force and effect and all the conditions to said approvals in this clause (except for any which can only be complied with after the IPO has been completed) have been complied with;
 - (e) The approval of Bursa Securities for the admission of our Company to the Official List and the listing of and quotation for its entire issued share capital on the ACE Market being obtained on terms acceptable to the Underwriter and the approvals of Bursa Securities remaining in full force and effect and that all conditions (except for any which can only be complied with after the IPO has been completed) have been complied with;
 - (f) The Underwriter being satisfied that our Company will, following completion of the IPO be admitted to the Official List and its entire enlarged issued share capital listed and quoted on the ACE Market without undue delay;

4. PARTICULARS OF OUR IPO (*Cont'd*)

- (g) The Underwriting Agreement having become unconditional in all respects (save for any condition requiring the Underwriting Agreement to be unconditional) and not having been terminated or rescinded pursuant to the provisions thereof and upon the Underwriter's (in this regard, in its capacity as the Placement Agent for the Placement Shares) receipt of the full subscription monies for the Placement Shares on or before the last date for payment of the Placement Shares;
- (h) The Underwriter receiving copies certified by a Director of our Company or secretary of our Company to be a true and accurate copy and in full force and effect of a resolution of the Directors:
 - (i) approving the Prospectus, the issuance of the Prospectus, the application forms, the Underwriting Agreement and the transactions contemplated by it; and
 - (ii) authorising a person to sign and deliver the Underwriting Agreement on behalf of our Company;
- (i) The IPO not being prohibited or impeded by any statute, order, rule, directive, guideline (whether or not having a force of law) or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia or any condition imposed by the regulators in approving the Issue Shares and all consents, approvals, authorisations or other orders required by our Company under such laws for or in connection with the IPO and/or listing of and quotation for the entire enlarged issued share capital of our Company on the ACE Market have been obtained and are in force up to the Closing Date;
- (j) The Underwriter being satisfied that our Company has complied with and that the IPO is in compliance with the policies, guidelines and requirements of the SC and Bursa Securities and all revisions, amendments and/or supplements to it;
- (k) All necessary consents, waivers, approvals, authorisations or other orders of all regulatory authorities, required for or in connection with the execution of the Underwriting Agreement and the issue of the Shares under the IPO and any other matters contemplated hereby:
 - (i) have been or will be unconditionally obtained by its due date;
 - (ii) or if granted subject to conditions, such conditions will be fulfilled to the reasonable satisfaction of the Underwriter by its due date; and
 - (iii) are or will remain in full force and effect;
- (l) The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("**Index**") being not lower than 90% of the level of the Index for at least 3 consecutive Market Days between the date of the Underwriting Agreement and the Closing Date, both dates inclusive;

4. PARTICULARS OF OUR IPO (Cont'd)

- (m) There being no occurrence of any event which occurs after the date of the Underwriting Agreement and on or prior to the date for acceptance, application for and payment of the subscriptions moneys in respect of the application for our Company's IPO Shares, which if it had occurred before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings provided in the Underwriting Agreement untrue or inaccurate;
 - (n) There being no breach of and/or failure, on or prior to the Closing Date by our Company to perform any of the terms and/or the undertakings as contained in the Underwriting Agreement;
 - (o) Our Company not being in any investigation, directions or actions by any judicial, governmental or regulatory authority in relation to the Listing or in connection with the Group which is still subsisting or unresolved to the satisfaction of the Underwriter; and
 - (p) The launching of Prospectus taking place within 3 months from the date of the Underwriting Agreement or such other later date as the Underwriter and our Company may from time to time agree in writing.
- 1.3 The Underwriter may waive all or any of the Conditions except for any required by a mandatory rule of law or a mandatory requirement of governmental, public or regulatory authorities in connection with the Underwriting Agreement.
- 1.4 If after the Conditions have been complied with and our Company decides not to proceed with the IPO, the Underwriter shall be entitled to terminate the Underwriting Agreement and in such event the provisions set out in item 1.6 below shall apply.
- 1.5 If any of the conditions set out in item 1.2(b), (c), (d), (f), and / or (g) above to the extent not waived are not satisfied by the date of issuance of the Prospectus, the Underwriter after consultation with our Company shall be entitled to terminate the Underwriting Agreement pursuant to item 1.6 below and thereafter the parties shall be released and discharged from their obligations hereunder and the Underwriting Agreement shall become null and void and of no further force and effect and none of the parties shall have a claim against the other save for any antecedent breaches.
- 1.6 Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may at any time on or before the Closing Date, terminate its obligations under the Underwriting Agreement if:
- (a) the Conditions set out in item 1.2 above (save and unless waived by the Underwriter) are not duly satisfied by the Closing Date;
 - (b) there is any material breach by our Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement or which is contained in any certificate, statement or notice under or in connection with the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within 10 Market Days from the date our Company is notified by the Underwriter of such breach; or
 - (c) there is failure on the part of our Company to perform any of its obligations contained in the Underwriting Agreement; or

4. PARTICULARS OF OUR IPO (Cont'd)

- (d) there is withholding of material information by the Company which in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the IPO, or the distribution or sale of the Shares issued or offered under the IPO; or
- (e) the approval of Bursa Securities in respect of the IPO or the approval-in-principle of Bursa Securities for the listing and quotation of our entire issued share capital on the ACE Market is withdrawn; or
- (f) there shall have occurred, or happened any material and adverse change in the business or financial condition of our Company or Group from that set out in this Prospectus which is material in the context of the offering of the Issue Shares and/or the Listing or any occurrence of any event rendering untrue or incorrect or misleading or not complied with to an extent which is material as aforesaid, any of the representations, warranties and undertakings contained in the Underwriting Agreement hereof as though given or made on such date; or
- (g) the closing date of the application of the IPO Shares does not occur within 3 months from the date of the Underwriting Agreement, subject to the extension of Closing Date which is approved by the Underwriter; or
- (h) our Company or any of our subsidiary becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors; or
- (i) the occurrence of any *force majeure* event including, but not limited to the following:
 - (i) any material adverse change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions or exchange control or currency exchange rate (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regards to inter-bank offer or interest rates both in Malaysia and overseas) or the occurrence of any combination of any of the foregoing; or
 - (ii) any new law or any change in the existing laws, regulations, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority; or
 - (iii) any event or series of events beyond the reasonable control of the Underwriter (including but not limited to, acts of government, strikes, national disorder, declaration of a state of emergency, lockouts, fire, explosion, flooding, landslide, civil commotion, hurricanes/typhoons, tsunami, widespread diseases, acts of war, sabotage, acts of God etc); or
 - (iv) any imposition of any moratorium, suspension or material restriction on trading on ACE Market due to exceptional financial circumstances or otherwise; or

4. PARTICULARS OF OUR IPO (Cont'd)

- (v) any material adverse change in financial conditions as stated in item 1.6(i)(i) above to include stock market conditions and interest rates. A material adverse change in the stock market condition under this item shall mean the Index is, at the close of normal trading on Bursa Securities, on any Market Day on or after the date of the Underwriting Agreement and prior to the allotment of the Issue Shares, lower than 90% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least 3 Market Days, which may materially prejudice the success of the IPO; or
- (vi) there is any government requisition or occurrence of any other nature which materially and adversely affects or will materially and adversely affect the business and/or financial position of our Company and/or our Group; or
- (vii) in the event that the listing of and quotation for the entire enlarged issued share capital of our Company on the ACE Market is withdrawn or not procured or procured but subject to conditions not acceptable to the Underwriter;

which would have or can reasonably be expected to have, in the reasonable opinion of the Underwriter, a material adverse effect on, and/or materially prejudice the business or the operations of our Company or Group, the success of the IPO, or the distribution or sale of the Issue Shares or which has or is reasonably likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

- 1.7 Upon the notice as described in item 1.6 above being given, the Underwriter shall be released and discharged of its obligation without prejudice to its rights under the Underwriting Agreement, and where the Underwriter has terminated or withdrawn its Underwriting Commitment pursuant to item 1.5 or item 1.6, the Underwriting Agreement shall be of no further force or effect and no party shall be under any liability to any other parties in respect of the Underwriting Agreement, except the following:
- (a) our Company shall pay the Underwriting Commission and any SST, tax, duties or levies chargeable in respect of the Underwriting Commission in accordance with the Underwriting Agreement; and
 - (b) our Company shall continue to be liable to indemnify the Underwriter and the its affiliates and each of their (the Underwriter and its affiliates) directors, employees, agents, subsidiaries and each person who controls the Underwriter and affiliates, in such manner as set out in the Underwriting Agreement.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

Our Shares will be admitted to the Official List of the ACE Market and an official quotation will commence after, inter-alia, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

4. PARTICULARS OF OUR IPO (Cont'd)

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and Depository Rules. We will not issue any share certificates to successful applicants.

Upon our Listing, 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.

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 will trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

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