

4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period 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	Indicative date
Issuance of this Prospectus/Opening of Application	[•]
Closing Date/Closing of Application	[•]
Balloting of Application	[•]
Allotment/Transfer of IPO Shares to successful applicants	[•]
Date of Listing	[•]

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

4.3 DETAILS OF OUR IPO

4.3.1 Listing scheme

(i) Public Issue

A total of 122,409,000 Issue Shares representing approximately 25.00% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(a) Malaysian Public

24,481,800 Shares, representing approximately 5.00% of our enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

(aa) 12,240,900 Shares made available to public investors; and

(bb) 12,240,900 Shares made available to Bumiputera public investors.

(b) Eligible Directors, employees and persons who have contributed to the success of our Group

12,240,900 Shares, representing 2.50% of our enlarged share capital, are reserved for our eligible Directors, 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 Bumiputera investors approved by MITI

61,204,500 Shares, representing 12.50% of our enlarged share capital are reserved for private placement to Bumiputera investors approved by MITI.

(d) Private placement to selected investors

24,481,800 Shares, representing 5.00% of our enlarged share capital are reserved for private placement to selected investors.

4. DETAILS OF OUR IPO (Cont'd)

The basis of allocation of 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.

The allocation of Issue Shares to selected Bumiputera investors shall be subject to the allocation as approved by MITI. Any unsubscribed Issue Shares under this allocation shall firstly be reallocated to Bumiputera institutional investors. If after the above reallocation, there are still Issue Shares not taken up, the said unsubscribed Issue Shares shall then be offered to Bumiputera public investors via balloting.

Upon completion of our Public Issue, our share capital will increase from RM36,722,511 comprising 367,225,083 Shares to RM[●] comprising 489,634,083 Shares. There is no over-allotment or 'greenshoe' option that will increase the number of our IPO Shares.

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

(ii) Offer for Sale

Our Selling Shareholders will undertake an offer for sale of 48,963,600 Offer Shares, representing 10.00% of our enlarged share capital at our IPO Price. The Offer for Sale shall be undertaken by way of private placement to the selected investors.

Further details of our Selling Shareholders are set out in Section 4.3.2.

Our Offer for Sale is subject to the terms and conditions of this Prospectus.

(iii) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM[●] comprising 489,634,083 Shares shall be listed on the ACE Market.

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4. DETAILS OF OUR IPO

4.3.2 Selling Shareholders

Details of our Selling Shareholders are as follows:

Name/ Address	Material relationship with our Group	Before IPO ⁽¹⁾		Offer Shares offered		After IPO	
		No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽³⁾
Ng Wai Hoe/ 16, Jalan Sierra 9/1 Bandar 16 Sierra 47120 Puchong Selangor	Promoter, substantial shareholder and Managing Director	110,167,525	30.00	19,585,500	5.33	90,582,025	18.50
Lim Mei Hwee/ 25, Jalan Clover 1 Clover @ Garden Residence Cyber 3 63000 Cyberjaya Selangor	Promoter, substantial shareholder and Executive Director	73,445,017	20.00	11,016,800	3.00	62,428,217	12.75
Tan Sok Moi/ 18, Jalan Mutiara 2/12 Taman Mutiara Indah 47100 Puchong Selangor	Promoter, substantial shareholder and Executive Director	55,083,763	15.00	8,568,600	2.33	46,515,163	9.50
Makmur Baru/ 41-2, Jalan Wangsa Delima 2A Seksyen 5 53300 Wangsa Maju Wilayah Persekutuan Kuala Lumpur	Promoter and substantial shareholder	73,445,016	20.00	9,792,700	2.67	63,652,316	13.00

4. DETAILS OF OUR IPO (Cont'd)

Notes:

- (1) After completion of Acquisition but prior to Public Issue.
- (2) Based on the share capital of 367,225,083 Shares before IPO.
- (3) Based on the enlarged share capital of 489,634,083 Shares after IPO.

The Selling Shareholders shall bear all expenses such as placement fee and miscellaneous fees estimated at approximately RM[●] million relating to the Offer Shares. The Offer Shares are not underwritten by our Underwriter.

Further details of our Selling Shareholders, can be found in Sections 5.1 and 5.2.

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

We have allocated 12,240,900 Issue Shares to our eligible Directors, employees and 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
Eligible Directors	4	1,200,000
Eligible employees	90	3,000,000
Persons who have contributed to the success of our Group	30	8,040,900
	124	12,240,900

Entitlements which are not accepted by certain eligible Directors, 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.

(i) Allocation to eligible Directors

The criteria for allocation to our eligible Directors are based on amongst others their anticipated contribution to our Group. Ng Wai Hoe (our Managing Director), Lim Mei Hwee (our Executive Director) and Tan Sok Moi (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 Dato' Sri Mohamad Fuzi Bin Harun	Independent Non-Executive Chairman	300,000
Dato' Sri Shahril bin Mokhtar	Independent Non-Executive Director	300,000
Datuk Lim Tong Lee	Independent Non-Executive Director	300,000
Andrea Huang Jia Mei	Independent Non-Executive Director	300,000
		1,200,000

(ii) 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:

- Our employees must be an eligible and confirmed employee and on the payroll of our Group;
- The number of Issue 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
- Full time employee of at least 18 years of age.

4. DETAILS OF OUR IPO (Cont'd)

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

Name	Designation	No. of Issue Shares allocated
Koo Seong Hoe	Chief Financial Officer	250,000
Cheah Kok Liang	General Manager	250,000
Fong Kok Yew	Commercial Manager	200,000
		700,000

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

Persons who have contributed to the success of our Group include business associates, contractors and suppliers.

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

4.3.4 Placement and underwriting arrangement

Our Underwriter will underwrite 36,722,700 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance of 85,686,300 Issue Shares and 48,963,600 Offer Shares available for application by Bumiputera investors approved by MITI and selected investors will be placed out by our Placement Agent and will not be underwritten.

Any of our Issue Shares not subscribed for by the Malaysian Public or Pink Form Allocations will be made available to selected investors via private placement.

Any of our Issue Shares not subscribed or accepted by Bumiputera investors approved by MITI under the private placement as stated in Section 4.3.1(i)(c) above shall firstly be reallocated to Bumiputera institutional investors. If after the above reallocation, there are still Issue Shares not taken up, the said unsubscribed Issue Shares will be made available for subscription by the Bumiputera general public via the balloting process.

However, if all 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. Any remaining Issue Shares which are not subscribed by the Malaysian Public or Pink Form Allocations will then be made available to selected investors under private placement. Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement. Our Board will ensure that any excess IPO Shares will be allocated on a fair and equitable manner.

4.3.5 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 per 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 the ballot to be conducted in a manner approved by our Directors.

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

Under the Listing Requirements, at least 25.00% 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.

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

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

Details	No. of Shares	RM
Share capital		
As at the date of this Prospectus	367,225,083	36,722,511
To be issued under our Public Issue	122,409,000	[•]
Enlarged share capital upon our Listing	489,634,083	[•]

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

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

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing 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 our Issue Shares.

Our Offer Shares rank equally in all respects with our existing 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 paid-up on the 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 if our Company is liquidated in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meetings in person, or by proxy or by other duly authorised representative. Every shareholder present in person or by proxy or other duly authorised representative shall have one vote for each Share held.

4.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (i) To enable our Group to raise funds for the purposes specified in Section 4.9 herein;
- (ii) To gain recognition through our listing status to enhance our reputation when tendering for new construction projects and to retain and attract new, skilled employees from the construction industry;

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

- (iii) To provide an opportunity for the Malaysian Public, including our eligible Directors, employees and persons who have contributed to the success of our Group to participate in our equity; and
- (iv) 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.

4.6 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:

- (i) Our pro forma NA per Share as at 31 December 2020 after adjustments for subsequent event, Acquisition, IPO and utilisation of proceeds of RM[●], calculated based on our pro forma NA after adjustment for subsequent event, Acquisitions, IPO and utilisation of proceeds as at 31 December 2020 of approximately RM[●]million and enlarged share capital of 489,634,083 Shares upon Listing;
- (ii) The PE Multiple of our IPO Price of approximately [●] times based on our EPS of approximately 2.25 sen for FYE 2020, calculated based on our PAT attributable to owners of our Company for FYE 2020 of RM11.02 million and enlarged share capital of 489,634,083 Shares upon Listing;
- (iii) Our historical financial track record as follows:

	FYE 2018	FYE 2019	FYE 2020
	RM'000	RM'000	RM'000
Revenue	145,419	242,888	273,388
GP	11,401	13,795	19,989
Total comprehensive income attributable to owners of our Company	5,243	6,955	11,022

- (iv) Our competitive strengths as set out in Section 7.16; and
- (v) Our business strategies and prospects as set out in Section 7.17.

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 9 before deciding to invest in our Shares.

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 489,634,083 Shares upon Listing, our total market capitalisation will be RM[●].

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

4.8 DILUTION

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

	RM
IPO Price	[•]
Pro forma NA per Share as at 31 December 2020 after adjustments for subsequent event, Acquisition and before IPO	[•]
Pro forma NA per Share as at 31 December 2020 after adjustments for subsequent event, Acquisition, IPO and utilisation of proceeds	[•]
Increase in pro forma NA per Share attributable to existing shareholders	[•]
Increase in pro forma NA per Share to our new public investors	[•]
Increase in pro forma NA per Share as a percentage of our IPO Price	[•]%

Further details of our pro forma NA per Share as at 31 December 2020 is set out in Section 14.

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	No. of Shares received⁽¹⁾	Total consideration	Average effective cost per Share
		RM	RM
Ng Wai Hoe	110,167,525	11,016,753	0.10
Lim Mei Hwee	73,445,017	7,344,503	0.10
Tan Sok Moi	55,083,763	5,508,377	0.10
Makmur Baru	73,445,016	7,344,502	0.10
Alam Kota	55,083,762	5,508,376	0.10
	367,225,083	36,722,511	

Note:

⁽¹⁾ Issued under the Acquisition and including the 3 shares issued upon the incorporation of our Company.

Save as disclosed above and the Pink Form Allocations, there has been no acquisition or subscription of any of our Shares by our Directors or key senior management, substantial shareholders or persons connected with 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. DETAILS OF OUR IPO (Cont'd)**4.9 UTILISATION OF PROCEEDS****4.9.1 Public Issue**

The estimated gross proceeds from our Public Issue of RM[●] million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Notes	RM'000	%	Estimated timeframe for utilisation⁽¹⁾
Purchase of land and construction of storage facility	(a)	[●]	[●]	Within 24 months
Purchase of machinery and equipment	(b)	[●]	[●]	Within 24 months
Purchase of BIM system software	(c)	[●]	[●]	Within 24 months
Upgrade software and systems	(d)	[●]	[●]	Within 18 months
Office expansion	(e)	[●]	[●]	Within 24 months
Working capital	(f)	[●]	[●]	Within 12 months
Estimated listing expenses	(g)	[●]	[●]	Within 3 months
Total		[●]	100.00	

Pending the deployment of the proceeds raised from our Public Issue as aforementioned, the funds will be placed in short-term deposits with financial institutions.

Notes:

(1) From the date of Listing.

(a) Purchase of land and construction of storage facility

As part of our Group's business strategies, we have allocated RM[●] million for the purchase of land in Klang Valley with an approximate size of 2 acres and construction of storage facility on the land to store our construction materials as well as new and existing construction machinery and equipment that are not in use in the construction.

We currently store our construction materials, machinery and equipment which are not in use at our rented storage facility located in Puchong, Selangor. We also store certain less bulky construction materials and equipment in our own storage shoplot in Kajang, Selangor. Further information in relation to our storage facility and storage shoplot are set out in Section 6.8.2(v) and 6.8.1(iii) of this Prospectus, respectively.

Subsequent to the completion of the new storage facility, we will relocate our Group's existing rented storage facility in Puchong, Selangor to this new premise. We expect that our storage shoplot in Kajang, Selangor will still be utilised to store certain less bulky construction materials and equipment.

The cost of the land to be acquired is estimated to be approximately RM[●] million and the construction of the storage facility on the land are estimated to cost RM[●] million. We plan to finance RM[●] million or approximately [●]% of the estimated land value of RM[●] million via bank borrowings. The RM[●] million gross proceeds from the Public Issue earmarked for the purchase of land and construction of storage facility will be used to finance the remaining RM[●] million or approximately [●]% of the land value and the RM[●] million cost of construction of the storage facility.

4. DETAILS OF OUR IPO (Cont'd)

The purpose for the acquisition of land and construction of the storage facility is to accommodate the growth in our business which involves the purchase of additional construction machinery and equipment, the details of which are set out in Section 4.9.1(b) below. The new storage facility will enable us to accommodate and undertake maintenance works of our new and existing construction machinery and equipment that are not in use at our construction sites. The storage facility will have an approximate built-up area of 43,500 square feet which will allow us to better organise storage of our machinery and equipment.

As at the LPD, our Group is still in the midst of identifying a suitable piece of land for our storage facility. The exact location and size of the land are subject to changes depending on the price and availability. In the event the allocated proceeds are insufficient for the purchase of land and construction of storage facility, any shortfall will be funded via internally generated funds and/or additional bank borrowings.

Please refer to Section 7.17 of this Prospectus for further details of our Group's business strategies.

(b) Purchase of machinery and equipment

We have allocated RM[●] million for the purchase of new construction machinery and equipment to support our business expansion and to replace certain fully-depreciated machinery and equipment. All of the following machinery and equipment will be purchased from local suppliers.

Type of machinery/equipment	Purpose	Estimated	
		Purchase quantity	Total cost RM'000
Truck-mounted concrete pump	A type of concrete pump to transfer liquid concrete which is mounted on a truck	2	[●]
Concrete placing boom	An articulating robotic arm attached to a concrete pump to transfer and place concrete for the construction of high-rise buildings	3	[●]
Safety self-climbing platform	A protection screen and platform that protects working environment from weather conditions and safeguards against falls in work areas	26,412 sq m	[●]
Scaffolding and formwork	A temporary platform that is used during construction to support workers and materials	11,024 pieces and accessories	[●]
Tower crane	An equipment used for lifting of construction materials/material handling in the construction of high-rise buildings	4	[●]

4. DETAILS OF OUR IPO (Cont'd)

Type of machinery/ equipment	Purpose	Estimated	
		Purchase quantity	Total cost
Material loading platform	Temporary platform which is used to loading/unloading construction materials	7	[●]
Forklift	A vehicle with a pronged device in front for lifting and carrying heavy loads	1	[●]
Truck crane	A truck which has a crane mounted at the rear which is used to load and unload goods from the truck's deck	2	[●]
			[●]

The purchase of these construction machinery and equipment is in line with our Group's future plans to further expand our building construction activities and expand into the civil engineering segment focusing on the construction of roads, bridges and highways. We believe that such utilisation of proceeds to purchase additional machinery and equipment will increase our operational capacity and enable us to tender for and undertake construction projects with higher value and expansion into other type of building projects to support our growth trajectory.

(c) Purchase of BIM system software

We have allocated RM[●] million for the purchase of BIM system software. BIM system software is a digital 3D modelling platform to integrate the planning, scheduling, costing, procurement, design, specification, construction and facilitate operational data and information required to simulate the physical construction.

The purchase of the BIM system software is in line with our Group's future plan and our continuous efforts in tendering more construction projects especially design and build projects. The adoption of BIM system software is expected to enhance our operational efficiency in planning and coordinating our design and build services. The application of BIM system software is expected to contribute to more efficient project management, where the collaboration between various stakeholders in the construction industry value chain facilitates the design and construction process.

(d) Upgrade software and systems

We have allocated RM[●] million to upgrade our software and systems. Our current back office systems such as accounting system and purchasing system, are not integrated. We intend to upgrade to an integrated resource planning system to facilitate our business expansion. The integrated resource planning system will enable us to streamline our processes, eliminate redundant processes through automation, centralised our data and improve planning and reporting work.

4. DETAILS OF OUR IPO (Cont'd)

(e) Office expansion

To facilitate and support the expansion of our Group's business operation, a total of RM[●] million will be allocated for our office expansion to cater for additional office staffs. The proposed allocations are set out as follows:

General working capital	RM'000
Office renovation costs	[●]
Purchase of office furniture and equipment	[●]
	<u>[●]</u>

Our Group intends to renovate the ground floor of our existing head office situated in Bandar Bukit Puchong, Puchong. The ground floor has an estimated built-up area of 1,488 square feet.

We intend to allocate RM[●] million for the cost of renovation of 1 meeting room and 6 workstations and RM[●] million for the purchase of office furniture and equipment such as office cabinets, workstations, tables and chairs. The renovated office floor may occupy between 6 to 8 office staff.

In the event the allocated proceeds are insufficient, any shortfall will be funded via internally generated funds and/or additional bank borrowings.

Please refer to Section 6.8.1(ii) of this Prospectus for further details of our head office.

(f) Working capital

Our Group's working capital requirements are expected to increase in line with the growth in our business operations. We intend to allocate RM[●] million to be used to supplement our working capital requirements for new and existing projects. The proposed allocations of the proceeds are set out below:

General working capital	RM'000
Payment to subcontractors	[●]
Payment to suppliers for purchase of construction materials	[●]
Maintenance costs and purchase of consumables and spare parts for construction machinery and equipment	[●]
	<u>[●]</u>

Construction materials and subcontractor costs are our largest cost of sales item (collectively contributing between 84.88% to 89.17% in FYE 2018 to FYE 2020) and as such we have allocated more than half of the proceeds earmarked for working capital requirements to pay our subcontractors and suppliers.

The allocation of proceeds raised from the Public Issue for our working capital requirements will reduce our dependency on external financing and allow us to undertake more construction projects concurrently.

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

(g) Estimated listing expenses

An amount of RM[•] million is allocated to meet the estimated cost of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Estimated listing expenses	RM'000
Professional fees ⁽¹⁾	[•]
Underwriting, placement and brokerage fees	[•]
Printing and advertising fees	[•]
Contingencies ⁽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 in connection with our IPO.

If our actual listing expenses are higher than the amount budgeted, the deficit will be funded out of the portion allocated for our general working capital requirements. Conversely, if our actual listing expenses are lower than the amount budgeted, the excess will be utilised for our general working capital requirements.

4.9.2 Offer for Sale

The Offer for Sale will raise gross proceeds of approximately RM[•] million which will accrue entirely to our Selling Shareholders.

4.10 BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION

4.10.1 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.

4.10.2 Placement fees

Our Placement Agent will place out a total of 85,686,300 Issue Shares and 48,963,600 Offer Shares to Bumiputera investors approved by MITI and selected investors.

We will pay our Placement Agent a placement fee of 3.00% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of 3.00% of the value of those Offer Shares placed out by our Placement Agent will be borne entirely by the Selling Shareholders.

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

4.10.3 Underwriting commission

Our Underwriter has agreed to underwrite 36,722,700 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We will pay our Underwriter an underwriting commission of 2.50% of our IPO Price multiplied by the number of Shares underwritten.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 36,722,700 Issue Shares ("**Underwritten Shares**") as set out in Section 4.3.4.

The salient terms in the Underwriting Agreement are as follows:

Conditions

(i) Details

The obligations of the Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement is conditional on the performance by the Company of its obligations under the Underwriting Agreement and conditional on the following ("**Conditions**"):

- (a) The Underwriter receiving certificate in the form or substantially in the form contained in the certificate by the Company of the Underwriting Agreement, one dated the date of registration of the Prospectus and the other dated the last date for acceptance, application for and payment of the subscription moneys in respect of the application for the IPO Shares, which shall not be more than 3 months from the date of the Underwriting Agreement ("**Closing Date**") and subject to any extension of the Closing Date shall require the prior approval of the Underwriter, who may, at its sole and absolute discretion, agree to the same ("**Extension of Closing Date**"); both of which are to be signed by the Director of the Company (on behalf of the Board) stating that, to the best of his knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in representations, warranties and undertakings of the Underwriter Agreement and being provided with the reports or confirmation and being satisfied at the date of registration of the Prospectus and Closing Date respectively that:
 - (aa) there is no occurrence of any 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 the Group taken as a whole from that subsequent to the date of the Underwriting Agreement; or
 - (bb) there is no occurrence of any event or the discovery of any facts or circumstances which would render any representations, warranties or undertakings by the Company materially untrue or inaccurate or result in a material breach of the Underwriting Agreement by the Company;
- (b) The Underwriting Agreement being signed by the relevant authorised signatories to the Underwriting Agreement and stamped within the statutory time frame;

4. DETAILS OF OUR IPO (Cont'd)

- (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 issue of the Prospectus being a date not later than 1 month after the date of the Underwriting Agreement or such later date as the Company and the Underwriter may from time to time agree ("**Issue Date**");
- (d) All the approvals, including Bursa Securities via its letter dated [●]; SC (Equity Compliance Unit) via its letter dated [●]; and the directors and shareholders of the Company via a circular board resolution dated [●] and a general meeting on [●] remain in full force and effect and that all conditions to the approvals (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 the 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 the 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;
- (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 a copy duly certified by a Director or secretary of the Company to be a true and accurate copy and in full force and effect, of a resolution of the Directors:
 - (aa) approving the Prospectus, this Underwriting Agreement and the transactions contemplated by it;
 - (bb) authorising the issuance of the Prospectus; and
 - (cc) authorising a person to sign and deliver the Underwriting Agreement on behalf of the Company;
- (i) The IPO not being prohibited or impeded by any statute, order, rule, directive, guidelines (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 the 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 the Company on the ACE Market have been obtained and are in force up to the Closing Date;

4. DETAILS OF OUR IPO (Cont'd)

- (j) The Underwriter being satisfied the Company has complied with and that the IPO is in compliance with the policies, guidelines and requirements of SC (if any) 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 Shares under the IPO and any other matters contemplated hereby:
 - (aa) have been or will be unconditionally obtained by its due date; or
 - (bb) if granted subject to conditions, such conditions will be fulfilled to the reasonable satisfaction of the Underwriter by its due date; and
 - (cc) are or will remain in full force and effect;
- (l) The Bursa Malaysia Kuala Lumpur composite index ("**Index**") being not lower than 90% of the level of the Index as at the date of the Underwriting Agreement for at least 3 consecutive Market Days between the date of the Underwriting Agreement and the Closing Date, both dates inclusive;
- (m) There being no occurrence of any an event which occurs after the date of the Underwriting Agreement and on or prior to the Closing Date which if it had occurred before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings untrue or inaccurate;
- (n) There not having occurred on or prior to the Closing Date any breach of and/or failure to perform any of the undertakings by the Company contained in the Underwriting Agreement;
- (o) There not being 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 the Company may from time to time agree in writing.

Termination

- (i) Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may after consultation with the Company in such manner as the Underwriter shall reasonably determine by notice in writing to the Company given at any time before the Underwriter is discharged or required to carry out its obligation under the underwriting obligation, terminate and withdraw to act as the Underwriter to subscribe or procure subscribers for the Underwritten Shares not taken up or subscribed or applied for by the Closing Date ("**Underwriting Commitment**") upon the occurrence of any of the following:
 - (a) any of the Conditions under the Underwriting Agreement are not duly satisfied by the Closing Date;
 - (b) there is any material breach by the Company of any of the representations, warranties or undertakings or which is contained in any certificate,

4. DETAILS OF OUR IPO (Cont'd)

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 the Company is notified by the Underwriter of such breach;

- (c) there is a failure on the part of the Company to perform any of its obligations contained in the Underwriting Agreement;
- (d) there is a 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;
- (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 its entire issued share capital on the ACE Market of Bursa Securities is withdrawn;
- (f) there shall have occurred, or happened any material and adverse change in the business or financial condition of the Company or Group from that set out in the 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 hereof as though given or made on such date;
- (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;
- (h) the Company or any of its subsidiaries 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;
- (i) the occurrence of any *force majeure* event including, but not limited to the following:
 - (aa) 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 interbank offer or interest rates both in Malaysia and overseas) or the occurrence of any combination of any of the foregoing;
 - (bb) 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;
 - (cc) any event or series of events beyond the reasonable control of the Underwriter (including but not limited to, acts of government, strikes, national disorder, lockouts, fire, explosion, flooding, landslide, civil commotion, hurricanes/typhoons, tsunami, acts of war, sabotage, acts of God etc);

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

- (dd) any imposition of moratorium, suspension or material restriction on the trading of securities on the ACE Market of Bursa Securities due to exceptional financial circumstances or otherwise;
- (ee) any material adverse change in financial conditions as stated in (aa) above to include stock market conditions and interest rates. For this purpose, a material adverse change in the stock market condition 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;
- (ff) any government requisition or occurrence of any other nature which materially and adversely affect or will materially or adversely affect the business and/or financial position of the Group; or
- (gg) in the event that the listing of and quotation for the entire enlarged issued share capital of the 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 the 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.

- (iii) Upon the notice(s) being given, the Underwriter shall be released and discharged of its obligations without prejudice to its rights under 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 that Company shall remain liable in respect of its obligations and liabilities for the payment of the costs and expenses already incurred prior to or in connection with such termination, for the payment of any taxes, duties or levies or such outstanding fees, and for any antecedent breach, and its undertaking to indemnify the Underwriter.

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, among others, 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.

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.

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

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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