

3. DETAILS OF OUR IPO

3.1 Indicative timetable

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

Event	Date
Issuance of the Prospectus/Opening of Applications	10.00 a.m., [date]
Closing of Applications	5.00 p.m., [date]
Balloting of Applications	[date]
Allotment of our IPO Shares to successful applicants	[date]
Listing on the Main Market	[date]

Late Applications will not be accepted. In the event there is any changes to this timetable, we will advertise a notice of the changes in a widely circulated English and Bahasa Malaysia daily newspaper within Malaysia, and make an announcement of such changes on Bursa Securities' website accordingly.

3.2 Details of our IPO

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions as set out in **Section 3.2.2** of this Prospectus:-

	No. of IPO Shares	⁽²⁾ Percentage of our enlarged issued share capital (%)
Public Issue		
(i) Malaysian Public ⁽¹⁾	25,000,000	2.00
(ii) Eligible Persons	30,000,000	2.40
(iii) Private placement to identified institutional and/or selected investors	145,000,000	11.60
(iv) Private placement to identified Bumiputera investors approved by the MITI	156,250,000	12.50
Total	356,250,000	28.50

Notes:-

- (1) Out of the 25,000,000 IPO Shares, 12,500,000 IPO Shares will be set aside for Bumiputera investors, which include individuals, companies, societies, co-operatives and institutions.
- (2) Based on our enlarged issued share capital of 1,250,000,000 Shares after our IPO.

3. DETAILS OF OUR IPO (CONT'D)**3.2.1 Public Issue**

We are offering 356,250,000 IPO Shares at an IPO Price of RM[●] per IPO Share, payable in full on Application, representing 28.50% of our enlarged number of issued Shares after our IPO, in the following manner:-

(i) Malaysian Public

25,000,000 IPO Shares, representing 2.0% of our enlarged number of issued Shares, will be made available for Application by the Malaysian Public through a balloting process, of which 12,500,000 IPO Shares, representing 1.0% of our enlarged number of issued Shares, are set aside for Bumiputera investors, which include individuals, companies, societies, co-operatives and institutions. Any IPO Shares not subscribed by such Bumiputera investors will be made available for Application by other Malaysian Public.

(ii) Eligible Persons

30,000,000 IPO Shares, representing 2.40% of our enlarged number of issued Shares (i.e. Pink Form Shares), will be reserved for Application by the Eligible Persons under the Pink Form Allocation in the following manner:-

Eligible Persons	No. of Eligible Persons	No. of Pink Form Shares to be allocated
Our Directors ⁽¹⁾	6	4,800,000
Eligible employees of our Group ⁽²⁾	61	24,200,000
Persons who have contributed to our success ⁽³⁾	5	1,000,000
Total	72	30,000,000

Notes:-

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

Name	Designation	No. of Pink Form Shares to be allocated
Fazrin Azwar Bin Md. Nor	Independent Non-Executive Chairman	300,000
Ryo Narisawa	Executive Director / CEO	2,000,000
Tan Chan Chin	Executive Director / COO	1,750,000
Teh Su-Ching	Independent Non-Executive Director	250,000
Samivel A/L Krishnamoorthy	Independent Non-Executive Director	250,000
Tan Ming-li	Independent Non-Executive Director	250,000
Total		4,800,000

The higher number of Pink Form Shares allocated to Ryo Narisawa, Tan Chan Chin and Fazrin Azwar Bin Md. Nor was based on their seniority and respective roles as our Executive Director / CEO, Executive Director / COO and Independent Non-Executive Chairman.

- (2) The basis and criteria for allocation of the Pink Form Shares to the eligible employees of our Group, as approved by our Board, are based on, amongst others, the following factors:-
- (i) the eligible employee must be a full-time confirmed employee of at least 18 years of age and be on the payroll of our Group; and
 - (ii) their staff grade, length of service, past performance and level of contributions made to our Group, including any other factors considered relevant to our Board.

3. DETAILS OF OUR IPO (CONT'D)

The allocation to the eligible employees of our Group includes the allocation to the following key senior management:-

Name	Designation	No. of Pink Form Shares to be allocated
Yap Kim Seng	Senior Director of Application Control Engineering	2,250,000
Beh Yong Yee	Senior Controller of Finance and Accounting Department	1,500,000
Satiaseelan A/L Kanasamy	Director of Sales and Project Engineering	2,000,000
Azahar Bin Mat Elias	Director of Manufacturing and Supply Chain	1,500,000
Lee Junyi	Director of R&D	2,000,000
Total		9,250,000

The number of Pink Form Shares to our key senior management above were allocated based on their respective roles and responsibilities.

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

(iii) Private placement to identified institutional and/or selected investors

145,000,000 IPO Shares, representing 11.60% of our enlarged number of issued Shares, will be allocated by way of private placement to identified institutional and/or selected investors.

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

156,250,000 IPO Shares, representing 12.50% of our enlarged number of issued Shares, will be allocated by way of private placement to identified Bumiputera investors approved by the MITI.

Any IPO Shares not taken up by the Malaysian Public or Eligible Persons under the Pink Form Allocation will be subject to the clawback and reallocation provisions as set out in **Section 3.2.2** of this Prospectus, and the balance thereof will be underwritten. Please refer to **Section 3.7** of this Prospectus for further details of our underwriting arrangement. Applicants who subscribe for the Pink Form Shares under **Section 3.2.1(ii)** above may also apply for the IPO Shares available under the Malaysian Public portion under **Section 3.2.1(i)** above.

Save for the allocation made available for Application by the Eligible Persons as disclosed in **Section 3.2.1(ii)** above, to the extent known to our Company, none of our substantial shareholders, Directors or key senior management have the intention to apply for the IPO Shares allocated under the Malaysian Public portion under **Section 3.2.1(i)** above.

Meanwhile, the 145,000,000 IPO Shares under **Section 3.2.1(iii)** above will be placed out to institutional and/or selected investors identified by our Placement Agent or our Company. These IPO Shares will be subject to irrevocable undertakings to be procured from such investors. The 156,250,000 IPO Shares under **Section 3.2.1(iv)** above will be placed out by our Placement Agent to identified Bumiputera investors approved by the MITI.

To the best of our knowledge and belief, there is no person who intends to subscribe for more than 5.0% of our IPO Shares.

3. DETAILS OF OUR IPO (CONT'D)

3.2.2 Clawback and reallocation

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

- (i) in the event of under-subscription by the Malaysian Public, the remaining portion of unsubscribed IPO Shares will be clawed back and reallocated to the identified institutional and/or selected investors under **Section 3.2.1(iii)** of this Prospectus;
- (ii) in the event of under-subscription by the Eligible Persons, the remaining portion of unsubscribed IPO Shares will be clawed back and reallocated to the identified institutional and/or selected investors under **Section 3.2.1(iii)** of this Prospectus;
- (iii) in the event of over-subscription by the Malaysian Public and a corresponding undersubscription under **Sections 3.2.1(ii)** and **3.2.1(iii)** of this Prospectus, the remaining portion of unsubscribed IPO Shares will be clawed back and reallocated to the Malaysian Public; and
- (iv) in the event that the IPO Shares allocated to identified Bumiputera investors approved by the MITI under **Section 3.2.1(iv)** of this Prospectus are not fully subscribed, the remaining portion will be clawed back and reallocated in the following manner:-
 - (a) firstly, to the Bumiputera investors under the Malaysian Public under **Section 3.2.1(i)** of this Prospectus; and
 - (b) secondly, to identified institutional investors under **Section 3.2.1(iii)** of this Prospectus and thereafter, any unsubscribed portion shall then be made available to other Malaysian Public under **Section 3.2.1(i)** of this Prospectus to increase the participation of retail investors.

The clawback and reallocation provisions shall not apply in the event of over-subscription under **Sections 3.2.1(i), 3.2.1(ii), 3.2.1(iii)** and **3.2.1(iv)** of this Prospectus. Any balance unsubscribed IPO Shares under **Sections 3.2.1(i)** and **3.2.1(ii)** of this Prospectus (arising after the reallocation to identified institutional and/or selected investors) will not be subject to any further clawback and reallocation. Such IPO Shares will hence be fully underwritten by the Underwriter.

Our IPO Shares will be allocated in a fair and equitable manner and the basis of allocation for the IPO Shares shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants with a view of broadening our shareholding base, to meet the public shareholding spread requirement of Bursa Securities as well as to establish a liquid and adequate market for our Shares.

3. DETAILS OF OUR IPO (CONT'D)**3.2.3 Share capital**

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

	No. of Shares	RM
Our issued share capital before our IPO	893,750,000	192,171,950
New Shares to be issued under the Public Issue	356,250,000	⁽¹⁾ [●]
Enlarged issued share capital upon Listing and prior to utilisation of IPO proceeds	1,250,000,000	[●]
Less: Estimated listing expenses	-	⁽²⁾ [(●)]
Enlarged issued share capital upon Listing and after utilisation of IPO proceeds	1,250,000,000	[●]
IPO Price per IPO Share (RM)	-	[●]
Market capitalisation upon Listing (based on the IPO Price and enlarged number of issued Shares after our IPO) (RM)	-	[●]
Pro forma NA per Share (based on the pro forma consolidated statements of financial position as at 31 March 2025 after the Pre-IPO Restructuring, our IPO and utilisation of IPO proceeds) (RM)	-	[●]

Notes:-

(1) Calculated based on the IPO Price.

(2) Out of the total estimated listing expenses of RM[●] million, a total of RM[●] million is assumed to be directly attributable to the Public Issue and will be debited against our share capital, whilst the remaining RM[●] million will be charged to the profit and loss statement of our Group.

3.2.4 Price stabilisation mechanism

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

3.2.5 Classes of shares and ranking

As at the date of this Prospectus, we only have 1 class of Share, being ordinary Shares, all of which rank equally with each other.

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

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

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

3. DETAILS OF OUR IPO (CONT'D)

3.2.6 Minimum level of subscription

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

Under the Listing Requirements, we are required to have a minimum of 25.0% 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 aforesaid public shareholding spread requirement is not met, our Company may not be permitted to proceed with our Listing. Please refer to **Section 4.3.2** of this Prospectus for the details in the event there is a delay in or cancellation of our Listing.

3.3 Basis of arriving at the price of our IPO Shares

3.3.1 IPO Price

Our IPO Price of RM[●] per IPO Share was determined and agreed upon between our Directors and Promoters as well as in consultation with our Principal Adviser, Underwriter and Placement Agent, after taking into consideration the following factors:-

- (i) our pro forma EPS of 5.29 sen for the FYE 2025 is based on our Group's PAT of RM66.16 million and our enlarged issued share capital upon Listing comprising 1,250,000,000 Shares, which translates into a price-to-earnings multiple of [●] times;
- (ii) our financial performance and operating history as described in **Sections 11** and **12** of this Prospectus;
- (iii) our pro forma consolidated NA as at 31 March 2025 attributable to owners of our Company, after our IPO and subsequent to the utilisation of our IPO proceeds of approximately RM[●] per Share based on our enlarged issued share capital upon Listing comprising 1,250,000,000 Shares;
- (iv) our competitive strengths as outlined in **Section 6.4** of this Prospectus;
- (v) our future plans and business strategies as outlined in **Section 6.23** of this Prospectus;
- (vi) the overview and future outlook of the industry which we operate in, as described in the IMR Report in **Section 7** of this Prospectus; and
- (vii) the prevailing market conditions which include the current market trends and investors' sentiment.

Applicants should also note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the trading volatility of our Shares.

3.3.2 Market capitalisation upon Listing

Based on our IPO Price of RM[●] per IPO Share and our enlarged issued share capital comprising 1,250,000,000 Shares, our market capitalisation upon Listing is RM[●].

3. DETAILS OF OUR IPO (CONT'D)**3.4 Dilution****3.4.1 NA per Share**

Dilution is the amount by which the IPO Price paid by the investors of our IPO Shares exceeds our pro forma consolidated NA per Share after our IPO.

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

		RM
IPO Price	(A)	[•]
Audited consolidated NA per Share as at 31 March 2025, before adjusting for our IPO	(B)	0.20
Pro forma consolidated NA per Share as at 31 March 2025, after our IPO and subsequent to our utilisation of IPO Proceeds	(C)	[•]
Increase in the pro forma consolidated NA per Share to our existing shareholders	(C - B)	[•]
Dilution in the pro forma consolidated NA per Share to new public investors	(A - C)	[•]
Dilution in the pro forma consolidated NA per Share to new public investors as a percentage of our IPO Price (%)	(A - C)/(A)	[•]

3.4.2 Effective cost per Share

Save for the Pre-IPO Restructuring and as disclosed below, none of our Promoters, substantial shareholders, Directors and key senior management or persons connected with them had acquired, obtained the right to acquire and/or subscribe for our Shares since the incorporation of our Company up to the date of this Prospectus:-

	No. of Shares before our IPO	⁽¹⁾ No. of Shares after our IPO	Total consideration (RM)	Average effective cost per Share (RM)
Promoters, substantial shareholders, Directors and key senior management				
Ryo Narisawa	36,240,600	38,240,600	[•]	[•]
Tan Chan Chin	64,356,600	66,106,600	[•]	[•]
Promoters and substantial shareholders				
Jiyuan ⁽²⁾	520,000,000	-	111,800,000	0.2150
Beh Lai Lien	114,856,800	-	24,694,212	0.2150
Directors				
Fazrin Azwar Bin Md. Nor	-	300,000	[•]	[•]
Teh Su-Ching	-	250,000	[•]	[•]
Samivel A/L Krishnamoorthy	-	250,000	[•]	[•]
Tan Ming-li	-	250,000	[•]	[•]

3. DETAILS OF OUR IPO (CONT'D)

	No. of Shares before our IPO	⁽¹⁾ No. of Shares after our IPO	Total consideration (RM)	Average effective cost per Share (RM)
Key senior management				
Yap Kim Seng	10,588,600	12,838,600	[•]	[•]
Beh Yong Yee	-	1,500,000	[•]	[•]
Satiaseelan A/L Kanasamy	-	2,000,000	[•]	[•]
Azahar Bin Mat Elias	-	1,500,000	[•]	[•]
Lee Junyi	-	2,000,000	[•]	[•]
Person connected to Promoters, substantial shareholders, Directors and key senior management				
Lai Siaw Ling ⁽³⁾	54,003,000	54,003,000	11,610,645	0.2150

Notes:-

- (1) Assuming full subscription of our IPO Shares allocated to our Directors and key senior management under the Pink Form Allocation.
- (2) The shareholders of Jiyuan are Ryo Narisawa (79.94%) and Beh Lai Lien (20.06%). Further information on Jiyuan is set out in **Section 8.1.3(ii)** of this Prospectus.
- (3) Lai Siaw Ling is the brother-in-law of Tan Chan Chin (our Promoter, substantial shareholder and Executive Director / COO) and Beh Lai Lien (our Promoter and substantial shareholder). He is also the uncle of Beh Yong Yee (our Senior Controller of Finance and Accounting Department).

3.5 Use of proceeds

We intend to utilise the total gross proceeds from our IPO amounting to RM[•] million in the following manner:-

Details of use	Estimated timeframe for use upon Listing	RM'000	Percentage of gross proceeds (%)
(i) Business expansion	• Expansion of our Group's facility	[•]	[•]
	• Overseas business expansion	[•]	[•]
	• R&D expenditure	[•]	[•]
		[•]	[•]
(ii) Working capital	Within 12 months	[•]	[•]
(iii) Estimated listing expenses	Within 1 month	[•]	[•]
Total		[•]	[•]

3. DETAILS OF OUR IPO (CONT'D)

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

3.5.1 Business expansion

(i) Expansion of our Group's facility

Our Group currently carries out the fabrication, assembly and testing activities for our AMHS solutions at our Bayan Lepas Facility (comprising 1 unit of 2-storey factory and 1 unit of 4-storey factory), which has an aggregate built-up area of approximately 115,266 sq ft.

Our Bayan Lepas Facility is currently operating near to full capacity. This is due to the allocation of dedicated floor spaces for the fabrication, assembly and testing of different AMHS components, each of which varies in function, design and size, and is custom-built based on project-specific requirements. Consequently, our Group's ability to scale up production or undertake multiple projects concurrently is limited by the existing layout and space availability.

In view of the above and to accommodate our Group's business expansion plans, we intend to acquire the New Property (i.e. a parcel of industrial land with a land area of at least 2 acres located in Bayan Lepas or Batu Kawan, Penang) for the establishment of the New Facility (i.e. a new manufacturing facility with a larger built-up area of at least 170,000 sq ft). As at the LPD, our Group is in the midst of identifying a suitable New Property for the New Facility located in Bayan Lepas or Batu Kawan, Penang. The exact location and size of the New Facility are not available at this juncture and are subject to change depending on the availability, pricing and suitability of the New Property.

Our Group intends to fund the acquisition of the New Property through a combination of internally generated funds and short-term bridging facilities, the composition of which will be determined at the point of acquisition depending on our Group's funding requirements, cash flow position and prevailing financing conditions.

Our Group will, subject to the type of New Property acquired, construct a new purpose-built manufacturing facility on a vacant land, or renovate, refurbish or redevelop (including demolition and reconstruction, where appropriate) the existing industrial building on the acquired land to align with our intended design specifications, production facility layout and operational requirements. The New Facility is expected to incorporate the following:-

(a) Production area

A production area to cater for the growth in our Group's order book, which would include dedicated floor area for the following:-

- in-house fabrication of hardware components such as conveyor frames, stocker frames, OHT frames and turntables; and
- assembly, testing and packing activities of each of the AMHS components,

which is expected to enhance our overall production capacity and enable our Group to fabricate, assemble, test and pack the AMHS components for multiple projects concurrently.

3. DETAILS OF OUR IPO (CONT'D)**(b) R&D and demonstration centre**

A R&D and demonstration centre which will be utilised by our R&D division to undertake R&D activities to enhance our AMHS solutions and showcase the operational functionalities of our AMHS solutions to existing and potential customers. For information purposes, we currently operate a R&D centre at our existing Bayan Lepas Facility. Following the set-up of the New Facility, our Group intends to relocate certain production activities from our existing Bayan Lepas Facility to the New Facility to free up floor space for a larger and more dedicated R&D area at our existing Bayan Lepas Facility. This forms a key part of our expansion plan to scale up our R&D capacity and capabilities in line with the increasing technical requirements of our Group's AMHS solutions and to support long-term product innovation. The dedicated area at the New Facility will primarily function as a demonstration centre for our Group's AMHS solutions and will also house a smaller ad-hoc R&D unit to support project-specific needs. In line with our Group's operational approach, both the New Facility and Bayan Lepas Facility will continue to maintain R&D stations alongside production activities, as R&D integration is essential to customisation, process refinement and continuous product development.

The demonstration centre will be utilised by our Group to showcase the full range of our AMHS solutions, including both systems and individual components. The dedicated demonstration space will enable our Group to effectively demonstrate the operational functionalities of our AMHS components to our existing and potential customers, thereby supporting our Group's marketing and customer engagement efforts.

(c) Warehouse

Additional warehouse space for the storage of raw materials and outsourced parts as well as temporary storage of AMHS components. The additional warehouse space is expected to enhance our inventory management and support a higher volume of production activity, thereby contributing to increased operational efficiency.

Based on our intended operational layout and floor space requirements, the New Facility is expected to comprise the following indicative floor areas:-

	Indicative floor area (sq ft)
Production area (comprising fabrication, assembly, testing and packing area for each AMHS component)	100,000
R&D and demonstration centre	60,000
Warehouse	10,000
Total	170,000

Upon the completion and commencement of operations at the New Facility, we anticipate a significant increase in our production capacity, which will enable us to scale operations more effectively and meet the growing demand for our AMHS solutions.

3. DETAILS OF OUR IPO (CONT'D)

To support this business expansion initiative, we have earmarked RM[●] million or [●]% of our total IPO proceeds to be utilised over the next 36 months from the date of our Listing to fund the following:-

Proposed utilisation	RM'000
<ul style="list-style-type: none"> Repayment of short-term bridging facilities undertaken for the acquisition of the New Property We intend to utilise the proceeds to repay the short-term bridging facilities that will be obtained solely to part finance the acquisition of the New Property identified for the establishment of the New Facility. The repayment is expected to be made within 12 months from the date of completion of the acquisition of the New Property. 	⁽¹⁾ [●]
<ul style="list-style-type: none"> Development costs for the establishment of the New Facility We intend to utilise the proceeds to fund the development of the New Facility, which may involve the construction of a new purpose-built manufacturing facility on a vacant land, or renovation, refurbishment or redevelopment (including demolition and reconstruction, where appropriate) of the existing industrial building on the acquired land, depending on the type and condition of the New Property acquired. The development costs include, amongst others, the costs for civil, structural, mechanical and electrical works, interior fit-out, installation of utilities required for the New Facility's operational readiness as well as associated professional fees and costs for the relevant required approvals. 	⁽²⁾ [●]
<ul style="list-style-type: none"> Acquisition of new machineries and equipment for the New Facility We intend to utilise the proceeds to acquire up to 10 new CNC machining equipment and related precision fabrication tools to support the in-house fabrication of AMHS components at the New Facility. The investment will enable our Group to undertake a higher proportion of machining and fabrication activities in-house, thereby improving production efficiency, quality consistency and delivery timelines. 	[●]
<ul style="list-style-type: none"> Expansion of workforce for the New Facility We intend to utilise the proceeds to recruit and train up to 50 additional production and technical personnel, comprising engineers, technicians and other skilled staff to support the expanded production capacity and operational requirements of the New Facility. The funds will be applied towards staff recruitment, training programmes and staff remuneration during the initial operational phase. 	⁽³⁾ [●]
Total	[●]

Notes:-

- (1) Based on our management's estimates, the cost of the New Property is expected to be approximately RM[●] million. This estimate was derived based on an indicative purchase price of approximately RM[●] per sq ft for an industrial property with an assumed land size of 2 acres located in Bayan Lepas or Batu Kawan, Penang as well as our enquiries with property agents and review of property listings for industrial properties of comparable size and specifications. The indicative price represents the internal pricing benchmark that our Group is targeting for planning and evaluation purposes, and is intended to provide a reasonable basis for estimating the potential acquisition cost. It should be noted that the final cost of the New Property may vary depending on, amongst others, the actual location, property type and land size.
- (2) Based on our management's estimates, after taking into consideration the historical construction costs incurred for the Bayan Lepas Facility.
- (3) Includes staff salaries for an estimated period of 18 months (based on, amongst others, our staff salary records and our management's staffing budget) for at least 50 additional production and technical personnel.

3. DETAILS OF OUR IPO (CONT'D)

In the event that the proceeds allocated for the above purposes are insufficient to meet the actual funding requirements (other than for the repayment of short-term bridging facilities), the shortfall will be funded through internally generated funds and/or bank borrowings. Conversely, should the actual costs incurred be lower than the amount of proceeds allocated for the above purposes, the excess proceeds will be reallocated to our working capital requirements.

We intend to complete the establishment of the New Facility within 36 months from the date of our Listing and have accordingly engaged property agents to identify a suitable New Property, taking into consideration, amongst others, the floor space requirements. At this juncture, we have viewed 6 properties ("**Viewed Properties**") located in Bayan Lepas, Penang. However, after further deliberation, we are of the view that the Viewed Properties do not fulfil our operational and business expansion requirements. As such, we will continue to search for a suitable property that meets our operational and business expansion requirements.

Our Group anticipates that the establishment of the New Facility (which includes the acquisition of the New Property, development of the New Facility and installation of the machineries and equipment for our production area) will be carried out in stages over a period of up to 36 months from the date of our Listing, the indicative timeframe for which is set out as follows:-

Stage(s)	Event(s)	Indicative timeframe*
1.	<ul style="list-style-type: none"> Identify suitable New Property located in Bayan Lepas or Batu Kawan, Penang Undertake preliminary assessment on the suitability of the New Property to cater for our operational requirements 	4 th quarter of 2025 to 1 st quarter of 2026
2.	<ul style="list-style-type: none"> Execution of the sale and purchase agreement ("SPA") for the proposed acquisition of the New Property and financing agreement in respect of the short-term bridging facilities 	2 nd quarter of 2026
3.	<ul style="list-style-type: none"> Completion of the proposed acquisition of the New Property (assuming 6 months from the date of the SPA) Appointment of, and commencement of discussions with, the architect, interior designer and/or contractor(s) on the design of the New Facility⁽¹⁾ 	End of 4 th quarter of 2026
4.	<ul style="list-style-type: none"> Completion of feasibility studies and development layout plans (including estimated development costs)⁽¹⁾ 	1 st quarter of 2027
5.	<ul style="list-style-type: none"> Obtain planning permission and approved building plans from the Majlis Bandaraya Pulau Pinang and other relevant approvals (including for earthworks and drainage) from the relevant authorities Commencement of development of the New Facility 	2 nd quarter of 2027
6.	<ul style="list-style-type: none"> Completion of development of the New Facility Submission of applications for the CCC and any other relevant approvals and permits required to commence operations at the New Facility 	2 nd quarter of 2028

3. DETAILS OF OUR IPO (CONT'D)

Stage(s)	Event(s)	Indicative timeframe*
7.	<ul style="list-style-type: none"> Obtain the relevant approvals, permits and issuance of CCC (or its equivalent) Completion of installation and set-up of fixtures and fittings as well as installation of machineries and equipment at the New Facility Submission of applications for relevant licences, approvals or permits to commence operations at the New Facility⁽²⁾ 	3 rd quarter of 2028
8.	<ul style="list-style-type: none"> Obtain necessary licences, approvals or permits to commence operations at the New Facility⁽²⁾ Commencement of operations at the New Facility 	4 th quarter of 2028

Notes:-

* The indicative timeline set out herein reflects our current expectations on the progress of the establishment of the New Facility, which is shorter than the overall 36-month implementation period. However, the actual implementation period may vary depending on factors such as the timing of the acquisition of the New Property, obtaining of regulatory approvals, and construction progress. Nevertheless, our Group expects that the overall implementation will be completed within 36 months from the date of our Listing.

(1) Subject to the type of New Property acquired, our Group may undertake construction of a new purpose-built manufacturing facility on the vacant land, or renovate, refurbish or redevelop (including demolition and reconstruction, where appropriate) of the existing industrial building on the acquired land.

(2) Comprise business premise and advertisement licences as well as other relevant permits or approvals from the relevant authorities required for the operation of the New Facility.

At this juncture, our Group does not foresee any major obstacles in identifying and acquiring a suitable New Property in Bayan Lepas or Batu Kawan, Penang for the establishment of the New Facility. Nonetheless, in the unlikely event that the proposed acquisition of the New Property does not materialise, we have alternative expansion plans in place, which may include exploring the acquisition of New Property in other industrial areas within the northern region of Peninsular Malaysia.

We envisage that such alternative expansion plans are still expected to be completed within the existing 36-month timeframe from the date of our Listing. In the event the alternative expansion plans occur after our Listing, we will make an announcement on Bursa Securities, and where a material variation in the utilisation of proceeds is required, we will seek our shareholders' approval in accordance with the Listing Requirements.

In the event the amount required to implement the alternative expansion plan is higher than the proposed budget, any deficit will be funded through internally generated funds and/or bank borrowings. Conversely, if such amount required to implement the alternative expansion plan is less than the proposed budget, such proceeds will be channelled towards our working capital requirements.

(ii) Overseas business expansion

Asia and Europe have consistently been our 2 largest revenue contributors, collectively accounting for more than 98.0% of our Group's total revenue for the financial years under review. It should be noted that Malaysia had contributed 58.70%, 63.11% and 44.58% of our total revenue for the FYE 2023, FYE 2024 and FYE 2025 respectively, while other Asian countries and Europe had collectively contributed to 41.10%, 36.89% and 53.65% over the same financial years, further details of which are disclosed in **Section 11.3.2(i)** of this Prospectus.

3. DETAILS OF OUR IPO (CONT'D)

In view of the growing global demand for semiconductors, particularly with Europe and Asia being amongst the leading global hubs for semiconductor manufacturing, we aim to strengthen our position in these strategic markets.

At the same time, the USA represents a prospective growth market, underpinned by its global leadership in advanced semiconductor design, research and technology development. While our revenue contributions from this region have not been significant to date as compared to other regions (in particular, Asia and Europe), we consider the USA as a strategic market with long-term potential for our Group to expand our market presence progressively as we explore strategic opportunities in line with our future growth plans.

To capitalise on this market potential and further grow our business and revenue streams, we plan to expand our overseas presence through the establishment of sales and engineering support offices in Asia, Europe and the USA. Having a physical presence in these regions will enhance our business visibility and position our Group to be in close proximity with our target markets, enabling direct engagement with potential, new and existing local customers in the region, improve responsiveness to customers' needs and fostering stronger long-term relationships with potential and existing local customers.

These overseas offices will serve as the frontline of our operations in the respective regions, providing both sales outreach and technical support to potential, new and existing customers. We believe that having localised operations will facilitate better customer service, enhance operational efficiency and improve the delivery of our AMHS solutions.

To support this geographical expansion plan, we have earmarked RM[●] million or [●]% of our total IPO proceeds to be utilised over the next 36 months from the date of our Listing for the expansion of our global presence by setting up sales and engineering support offices at the respective locations, the estimated breakdown of which are as follows:-

New sales and engineering support offices	Estimated cost		
	⁽¹⁾ Office rental (RM'000)	Staff costs (RM'000)	Total (RM'000)
Asia			
Japan	[●]	⁽²⁾ [●]	[●]
Taiwan	[●]	⁽³⁾ [●]	[●]
			[●]
Europe			
Germany	[●]	⁽⁴⁾ [●]	[●]
USA	[●]	⁽⁵⁾ [●]	[●]
Total			⁽⁶⁾ [●]

Notes:-

- (1) Estimated 3-year rental for office spaces, based on a built-up area of up to approximately 50 square metres, after taking into consideration the prevailing market rental rates of comparable properties at the identified locations. Subsequent to the initial 3-year rental period, the future rental expenses shall be funded through our internally generated funds.

3. DETAILS OF OUR IPO (CONT'D)

- (2) *Estimated 3-year staff costs (based on our management's assessment, after taking into consideration prevailing market salaries from publicly available recruitment information) for up to 4 new personnel to be hired for the new sales and engineering support office in Japan to establish and manage the business operations in Japan.*
- (3) *Estimated 3-year staff costs (based on our management's assessment, after taking into consideration prevailing market salaries from publicly available recruitment information) for up to 4 new personnel to be hired for the new sales and engineering support office in Taiwan to establish and manage the business operations in Taiwan.*
- (4) *Estimated 3-year staff costs (based on our management's assessment, after taking into consideration prevailing market salaries from publicly available recruitment information) for up to 4 new personnel to be hired for the new sales and engineering support office in Germany to establish and manage the business operations in Germany.*
- (5) *Estimated 3-year staff costs (based on our management's assessment, after taking into consideration prevailing market salaries from publicly available recruitment information) for up to 3 new personnel to be hired for the new sales and engineering support office in the USA (in addition to our existing sales and engineering support office in the State of Washington, USA) to establish and manage the business operations in the USA.*
- (6) *The allocated proceeds are denominated in RM whilst the use of proceeds for such expansion plans in Japan, Taiwan, Germany and the USA are in JPY, NTD, EUR and USD respectively. In the event that the actual RM amount required is higher than the RM amount set out above due to movements in exchange rate, the deficit will be funded through internally generated funds. Conversely, if the actual RM amount required as at the payment date is lower than the RM amount set out above due to movements in exchange rate, the excess will be allocated to our working capital requirements.*

As at the LPD, we are in the midst of identifying suitable premises in Asia, Europe and the USA to be rented for the new sales and engineering support offices. The exact location and size of the intended premises are subject to change, depending on prevailing property prices and the availability of suitable premises.

(iii) R&D expenditure

Our R&D activities are spearheaded by our Executive Director / CEO, Ryo Narisawa and our Director of R&D, Lee Junyi, which are supported by a team comprising 52 R&D engineers and 6 R&D technicians as at the LPD. Over the years, we have successfully developed our range of AMHS solutions (which includes our conveyor-based AMHS, ASRS and hybrid AMHS) through our continuous R&D efforts.

It is essential for our Group to continuously innovate and enhance our AMHS solutions to meet the evolving needs of our customers in the semiconductor industry (in particular, in terms of improving throughput and reliability) as well as to cater for different manufacturing facility layouts.

We have hence earmarked RM[●] million or [●]% of our total IPO proceeds to be utilised over the next 36 months from the date of our Listing towards the strengthening of our R&D capabilities. The earmarked proceeds are intended to support the ongoing research, development and refinement of our AMHS solutions, primarily focusing on developing new features, enhancing system efficiency and functional performance.

3. DETAILS OF OUR IPO (CONT'D)

The breakdown of utilisation is envisaged as follows:-

Details	RM'000
<ul style="list-style-type: none"> • Prototype building and testing It involves the development and validation of new AMHS technologies through preliminary models designed to, amongst others, assess performance and reliability. This process allows our Group to trial emerging concepts and technologies, identify and resolve technical issues during an early stage as well as refine designs into commercially viable solutions, which in turn supports the continuous innovation of our solutions and ensuring our offerings remain aligned with the evolving requirements of the semiconductor industry. 	[•]
<ul style="list-style-type: none"> • Expansion of our R&D division⁽¹⁾ It involves the recruitment of up to 30 additional R&D engineers, tasked to undertake R&D activities. We target to recruit qualified engineers with at least 5 years of working experiences in the fields of mechatronic engineering, software programming as well as E&E engineering. 	[•]
Total	[•]

Note:-

(1) Includes staff salaries for an estimated period of 36 months (based on, amongst others, our staff salary records and our management's staffing budget) for at least 30 additional R&D engineers as well as cost for staff training and development programmes.

We believe that continuous R&D efforts in developing our AMHS solutions are crucial as it will enable us to capitalise on the growing market trend in the semiconductor industry as well as cater to a wider range of industries, which will in turn support our long-term expansion plans and business sustainability.

Any shortfall in the actual costs of our business expansion plans as set out in **Section 3.5.1** of this Prospectus as compared to our budgeted allocations will be financed through internally generated funds and/or bank borrowings. Conversely, in the event that the actual proceeds utilised to fund our business expansion plans are lower than the allocations set out above, the excess funds will be channelled towards our working capital requirements.

3.5.2 Working capital

We expect our working capital requirements to increase in tandem with the expected growth in scale of our operations. Hence, we have earmarked RM[•] million or [•]% of our total IPO proceeds to be utilised over the next 12 months from the date of our Listing towards our working capital requirements, which include the following:-

Details	RM'000
Purchase of parts and tools, consumables as well as packaging materials ⁽¹⁾	[•]
General overheads, which include payment of administration and operational expenses such as for the upkeep of offices and office utilities	[•]
Sales and marketing expenses, which include advertisement and promotions as well as participation costs in trade exhibitions and roadshows held locally and internationally ⁽²⁾	[•]
Total	[•]

3. DETAILS OF OUR IPO (CONT'D)**Notes:-**

- (1) *Primarily comprise structural aluminium extrusion frames, channels and machined components for our in-house fabrication of conveyor frames, stocker frames, OHT frames and turntables as well as sensors, bearings, plates, sheet metal parts and other electronic components for the assembly of our AMHS solutions.*
- (2) *Primarily comprise media advertising costs as well as costs to promote our solutions at semiconductor trade fairs, exhibitions and industry networking events.*

3.5.3 Estimated listing expenses

We have earmarked RM[●] million or [●]% of our total IPO proceeds to be utilised over the next 1 month from the date of our Listing towards the payment of the expenses and fees incidental to our Listing, which shall be borne by our Company, the details of which are as follows:-

Expenses	RM'000
Professional fees which includes advisory and professional fees for, amongst others, our Principal Adviser, legal adviser, auditors and reporting accountants, IMR, internal control reviewer, share registrar, issuing house and company secretaries	[●]
Brokerage, placement fees and underwriting commission	[●]
Regulatory fees	[●]
Other fees and expenses such as printing, advertising, travelling and roadshow expenses incurred in connection with our IPO	[●]
Contingencies and other incidental expenses in connection with our IPO such as translation fees, public or investor relation consultant, service tax and funds reserved for contingency purposes	[●]
Total	[●]

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

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

3.6 Brokerage fee, underwriting commission and placement fee**3.6.1 Brokerage fee**

We will pay brokerage fees in respect of 25,000,000 IPO Shares under the Malaysian Public portion as set out in **Section 3.2.1(i)** of this Prospectus and 30,000,000 Pink Form Shares under the Pink Form Allocation as set out in **Section 3.2.1(ii)** of this Prospectus, at the rate of 1.0% (exclusive of applicable tax) of the IPO Price in respect of all successful Applications, which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Placement Agent is entitled to charge brokerage fee to successful applicants for the IPO Shares made available to identified institutional and/or selected investors as well as identified Bumiputera investors approved by the MITI by way of private placement. For the avoidance of doubt, such brokerage fee will be paid by successful applicants under the private placement and will not be borne by us.

3. DETAILS OF OUR IPO (CONT'D)

3.6.2 Underwriting commission

As stipulated in the Underwriting Agreement, we will pay the underwriting commission at the rate of [●]% (exclusive of applicable tax) of the total value of the underwritten Shares based on the IPO Price.

3.6.3 Placement fee

Our Placement Agent, UOBKH, has agreed to place out 145,000,000 IPO Shares to be offered to identified institutional and/or selected investors as set out in **Section 3.2.1(iii)** of this Prospectus and 156,250,000 IPO Shares to identified Bumiputera investors approved by the MITI as set out in **Section 3.2.1(iv)** of this Prospectus.

We will pay our Placement Agent a placement fee at the rate of [●]% of the total value of the IPO Shares placed out to investors identified by our Placement Agent at the IPO Price and a placement fee at the rate of [●]% of the total value of the IPO Shares placed out to investors identified by our Company at the IPO Price.

3.7 Underwriting arrangement

We have entered into the Underwriting Agreement with the Underwriter to underwrite 25,000,000 IPO Shares under the Malaysian Public portion as set out in **Section 3.2.1(i)** of this Prospectus and 30,000,000 Pink Form Shares under the Pink Form Allocation as set out in **Section 3.2.1(ii)** of this Prospectus, both of which are subject to the clawback and reallocation provisions as set out in **Section 3.2.2** of this Prospectus.

The salient terms of the Underwriting Agreement are as follows:-

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

3.8 Trading and settlement in the secondary market

Our Shares will be admitted to the Official List and an official quotation will commence after, amongst 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 the Rules of Bursa Depository. We will not issue any share certificates to successful applicants.

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

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

3. DETAILS OF OUR IPO (CONT'D)

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

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

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares will trade under the odd lot board. Settlement and payment of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date.

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

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