

4. PARTICULARS OF OUR IPO

4.1 DETAILS OF OUR IPO

4.1.1 Listing Scheme

Our Listing Scheme in conjunction with and as an integral part of the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities involves the following:

- (a) Acquisition of UFI and UDI;
- (b) Public Issue;
- (c) Offer for Sale;
- (d) Share Transfer to UFG; and
- (e) Listing.

(a) Acquisition of UFI and UDI

(i) Acquisition of UFI

On 26 August 2021, our Company entered into a conditional shares sale agreement to acquire the entire issued share capital of UFI of RM9,004,500 comprising 9,004,500 ordinary shares from the shareholders of UFI set out in the table below for a total purchase consideration of RM50,529,280. The purchase consideration was entirely satisfied by the issuance of 315,808,000 new Shares at an issue price of RM0.16 per Share to the shareholders of UFI as follows:

Shareholders of UFI	Shareholdings held in UFI (%)	Purchase consideration (RM)	No. of Unique Fire Shares issued
Liew Sen Hoi	55.00	27,791,104	173,694,400
Lim Show Ching	5.00	2,526,464	15,790,400
Marcus Liew	10.00	5,052,928	31,580,800
Ryan Liew	10.00	5,052,928	31,580,800
Roy Liew	10.00	5,052,928	31,580,800
Ray Liew	10.00	5,052,928	31,580,800
Total	100.00	50,529,280	315,808,000

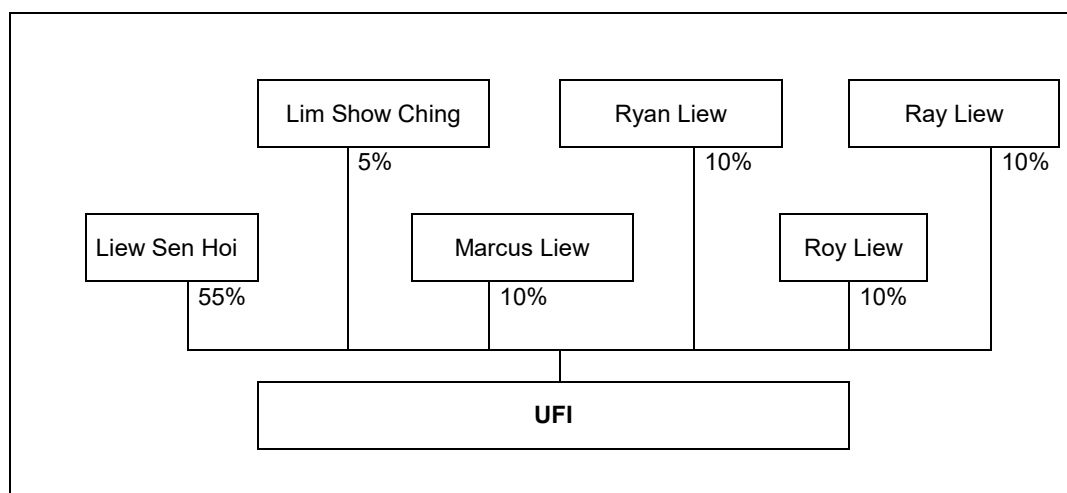
The purchase consideration of RM50,529,280 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of UFI as at 31 March 2021 of approximately RM50.53 million.

The conditions precedent of the above shares sale agreement included among others, the approval-in-principle of Bursa Securities for the Listing, the approval-in-principle of the SC for the registration of this Prospectus, the SC, MITI and SAC's notifications or approvals set out in Sections 2.1.2, 2.1.3 and 2.1.4 of this Prospectus, our Company's Directors and shareholders' approvals for the Acquisition of UFI, as well as the board approval of UFI for the registration of the transfer of the entire issued share capital of UFI under our Company's name in UFI's register of members.

The Acquisition of UFI was completed on [•] and UFI became a wholly-owned subsidiary of our Company.

4. PARTICULARS OF OUR IPO (Cont'd)

Our group structure before the Acquisition of UFI is as follows:

Before the Acquisition of UFI**(ii) Acquisition of UDI**

On 26 August 2021, our Company entered into a conditional shares sale agreement to acquire the entire issued share capital of UDI of RM450,000 comprising 450,000 ordinary shares from the shareholders of UDI set out in the table below for a total purchase consideration of RM70,080. The purchase consideration was entirely satisfied by the issuance of 438,000 new Shares at an issue price of RM0.16 per Share to the shareholders of UDI as follows:

Shareholders of UDI	Shareholdings held in UDI (%)	Purchase consideration (RM)	No. of Unique Fire Shares issued
Liew Sen Hoi	20.00	14,016	87,600
Marcus Liew	20.00	14,016	87,600
Ryan Liew	20.00	14,016	87,600
Roy Liew	20.00	14,016	87,600
Ray Liew	20.00	14,016	87,600
Total	100.00	70,080	438,000

The purchase consideration of RM70,080 was arrived at on a willing buyer-willing seller basis and after taking into account the audited NA of UDI as at 31 March 2021 of approximately RM0.07 million.

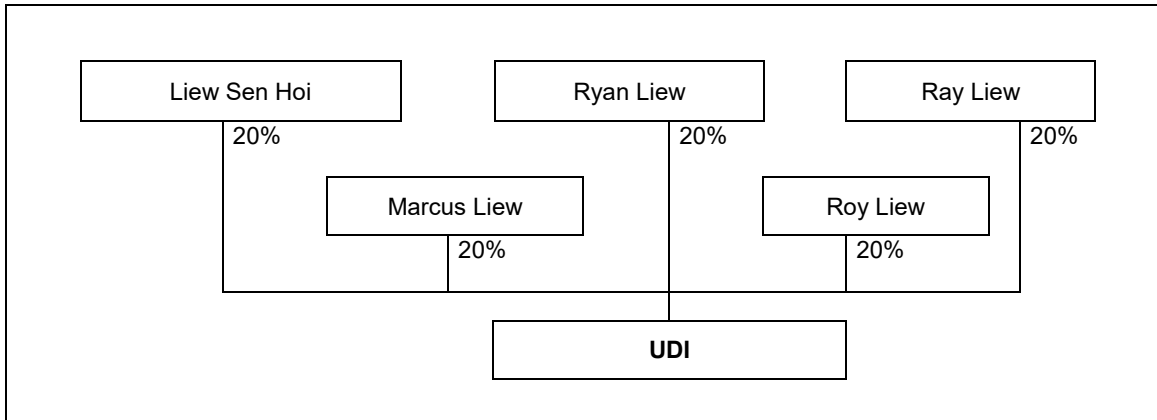
The conditions precedent of the above shares sale agreement included among others, the approval-in-principle of Bursa Securities for the Listing, the approval-in-principle of the SC for the registration of this Prospectus, the SC, MITI and SAC's notifications or approvals set out in Sections 2.1.2, 2.1.3 and 2.1.4 of this Prospectus, our Company's Directors and shareholders' approvals for the Acquisition of UDI, as well as the board approval of UDI for the registration of the transfer of the entire issued share capital of UDI under our Company's name in UDI's register of members.

4. PARTICULARS OF OUR IPO (Cont'd)

The Acquisition of UDI was completed on [•] and UDI became a wholly-owned subsidiary of our Company.

Our group structure before the Acquisition of UDI is as follows:

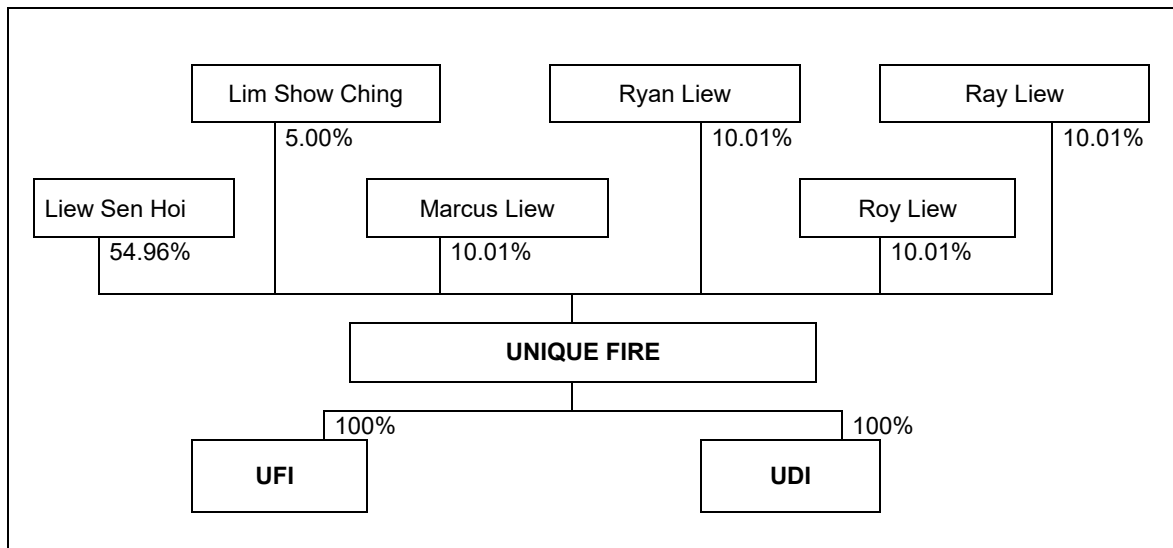
Before the Acquisition of UDI



(iii) After Acquisition of UFI and UDI

Upon completion of the Acquisition of UFI and UDI, the issued share capital of our Company increased to RM50,599,760 comprising 316,250,000 Shares.

Our group structure after the completion of the Acquisition of UFI and UDI but before our IPO is as follows:



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4. PARTICULARS OF OUR IPO (Cont'd)

(b) Public Issue

The Public Issue of 83,750,000 new Shares, representing approximately 20.94% of our enlarged issued share capital upon Listing, at the IPO Price, is payable in full on Application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:

(i) Malaysian Public

20,000,000 new Shares, representing 5.00% of our enlarged issued share capital, will be made available for application by the Malaysian Public via balloting, of which at least 50.00% is to be set aside strictly for Bumiputera investors. Any Issue Shares reserved under the Malaysian Public balloting portion which are not fully subscribed for by the Malaysian Public will be made available for subscription as follows:

- (a) firstly, by the Eligible Persons (excluding the eligible Directors) under the Pink Form Allocation as described in Section 4.1.1(b)(ii) of this Prospectus;
- (b) secondly, by our selected investors as described in Section 4.1.1(b)(iii) of this Prospectus; and
- (c) lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.

(ii) Eligible Persons

8,000,000 new Shares, representing 2.00% of our enlarged issued share capital, will be made available for application by the Eligible Persons.

We will allocate the Issue Shares to the Eligible Persons in the following manner:

Eligibility	No. of persons	Aggregate number of Issue Shares allocated
Directors of Unique Fire ⁽¹⁾	4	1,000,000
Employees ⁽²⁾	Up to [80]	[4,200,000]
Persons who have contributed to the success of our Group ⁽³⁾	Up to [24]	[2,800,000]
Total	Up to [108]	[8,000,000]

Notes:

- (1) The criteria of allocation to our eligible Directors are based on, among others, their respective roles and responsibilities in our Group.
- (2) The criteria of allocation to the eligible employees of our Group (as approved by our Board) are based on, among others, the following factors:
 - (i) The employee must be a full time employee and on the payroll of our Group; and
 - (ii) The number of Issue Shares allocated to the eligible employees is based on their position, their length of service and their past performance / contribution as well as other factors deemed relevant by our Board.

4. PARTICULARS OF OUR IPO (Cont'd)

- (3) The Issue Shares to be allocated to the persons who have contributed to the success of our Group, comprising our business associates, suppliers and customers, shall be based on their contribution to our Group and as approved by our Board.

The number of Issue Shares to be allocated to our Directors is as follows:

Name	Designation	Number of Issue Shares allocated
Selma Enolil Binti Mustapha Khalil	Independent Non-Executive Chairperson	250,000
Ir. Tee Kiam Hong	Independent Non-Executive Director	250,000
Olivia Lim	Independent Non-Executive Director	250,000
Andrea Huong Jia Mei	Independent Non-Executive Director	250,000
Total		1,000,000

The number of Issue Shares to be allocated to our key senior management are as follows:

Name	Designation	Number of Issue Shares allocated
Cheow Zi Ying	Chief Financial Officer	120,000
Tan Hoay Ling	Supply Chain Manager	120,000
Mohamad Azmir Bin Ramli	Quality Assurance and Control Manager	120,000
Total		360,000

Our Executive Directors, and Roy Liew and Ray Liew who are also our key senior management have opted not to participate in the Pink Form Allocation as they are also Promoters and substantial shareholders of our Company. Please see Sections 5.1.1, 5.2.3, and 5.2.7 for further details of our Directors' and key senior management's shareholdings in our Company as at the LPD and after the IPO.

Any Issue Shares reserved under the Pink Form Allocation which are not taken up will be made available for subscription as follows (subject always to the availability of the Issue Shares):

- (a) firstly, by other Eligible Persons (excluding the eligible Directors);
- (b) secondly, by the Malaysian Public and our selected investors as described in Sections 4.1.1(b)(i) and 4.1.1(b)(iii) of this Prospectus, respectively; and
- (c) lastly, by our Sole Underwriter based on the terms of the Underwriting Agreement.

As at the LPD, save as disclosed in Section 4.3 of this Prospectus, to the extent known to our Company:

4. PARTICULARS OF OUR IPO (Cont'd)

- (a) there are no substantial shareholders, Directors or key senior management of our Company who have indicated to us that they intend to subscribe for the IPO Shares; and
- (b) there are no persons who have indicated to us that they intend to subscribe for more than 5.00% of the IPO Shares.

(iii) Private placement to selected investors

5,750,000 new Shares, representing approximately 1.44% of our enlarged issued share capital, will be made available by way of private placement to selected investors.

The Issue Shares reserved under the private placement to selected investors are not underwritten as written irrevocable undertakings to subscribe for these Issue Shares will be obtained from the respective identified investors.

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

50,000,000 new Shares, representing 12.50% of our enlarged issued share capital, will be allocated by way of private placement to Bumiputera investors approved by the MITI ("**MITI Tranche**").

The Issue Shares reserved under the private placement to Bumiputera investors approved by the MITI are not underwritten as written irrevocable undertakings to subscribe for these Issue Shares will be obtained from the respective Bumiputera investors.

In the event of under-subscription of the MITI Tranche by the Bumiputera investors approved by the MITI and subject to a corresponding over-subscription by the Malaysian Public or over-subscription by selected investors, the remaining portion will be clawed-back and be placed to the investors as follows:

- (a) firstly, the selected investors under Section 4.1.1(b)(iii) of this Prospectus (whom are institutional investors); and
- (b) secondly, the Bumiputera public investors under Section 4.1.1(b)(i) of this Prospectus.

Any remaining portion from the MITI Tranche which are not taken up by the Bumiputera public investors and the selected investors will be made available to the other public investors under Section 4.1.1(b)(i) of this Prospectus.

The basis of allocation of our Issue Shares shall take into account the desirability of distributing our Issue Shares to a reasonable number of applicants with a view of broadening the shareholding base of our Company to meet the public spread requirements and to establish a liquid and adequate market for our Shares. Applicants will be selected on a fair and equitable manner.

There is no over-allotment or "greenshoe" option that will result in an increase in the amount of our Issue Shares.

The salient terms of the Underwriting Agreement are set out in Section 4.6 of this Prospectus.

(c) Offer for Sale

30,000,000 Offer Shares, representing approximately 7.50% of our enlarged issued share capital, are offered by our Offeror to selected investors by way of private placement at the IPO Price. Our Offer for Sale is subject to the terms and conditions of this Prospectus.

4. PARTICULARS OF OUR IPO (Cont'd)

The details of our Offeror and his relationship with our Group are as follows:

Name and Address	Nature of relationship	Before our IPO / After the Acquisition of UFI and UDI				Offer for Sale			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	% ^(a)	No. of Shares	% ^(a)	No. of Shares	% ^(b)	No. of Shares	% ^(b)
Liew Sen Hoi	Promoter, substantial shareholder and Managing Director	173,784,000	54.96	142,466,000	45.04 ^(c)	30,000,000	7.50	-	-
No. 108, Jalan Awan Kecil, Taman Overseas Union, 58200 Kuala Lumpur		After the Offer for Sale				After our IPO and Share Transfer to UFG			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	% ^(b)	No. of Shares	% ^(b)	No. of Shares	% ^(b)	No. of Shares	% ^(b)
		143,784,000	35.94	142,466,000	35.62 ^(c)	18,208,408	4.56	268,041,592	67.00 ^(d)

Notes:

- (a) Based on our issued share capital of 316,250,000 Shares after the Acquisition of UFI and UDI but before our IPO.
- (b) Based on our enlarged issued share capital of 400,000,000 Shares after our IPO.
- (c) Deemed interested by virtue of his spouse's (Lim Show Ching), and his sons' (Marcus Liew, Ryan Liew, Roy Liew and Ray Liew) direct shareholdings in Unique Fire.
- (d) Deemed interested by virtue of his sons' (Marcus Liew, Ryan Liew, Roy Liew and Ray Liew) direct shareholdings in Unique Fire, as well as Section 8(4) of the Act through his shareholding of more than 20% in UFG.

4. PARTICULARS OF OUR IPO (Cont'd)

(d) Share Transfer to UFG

During the prescription period (one (1) day after the launching date of the Prospectus up to a period of 30 days), our Promoters will transfer their respective shareholdings set out below in conjunction with the IPO amounting to 252,000,000 Shares to UFG for a purchase consideration of RM[•]. Further details of the Share Transfer to UFG are set out below:

Promoters	No. of Shares held before Share Transfer to UFG	%	No. of Shares to be transferred to UFG	No. of Shares held after Share Transfer to UFG	%
Liew Sen Hoi	143,784,000	35.95	(125,575,592)	18,208,408	4.56
Lim Show Ching	15,792,400	3.95	(15,792,400)	-	-
Marcus Liew	31,668,400	7.92	(27,658,002)	4,010,398	1.00
Ryan Liew	31,668,400	7.92	(27,658,002)	4,010,398	1.00
Roy Liew	31,668,400	7.92	(27,658,002)	4,010,398	1.00
Ray Liew	31,668,400	7.92	(27,658,002)	4,010,398	1.00
TOTAL	286,250,000	71.58	(252,000,000)	34,250,000	8.56

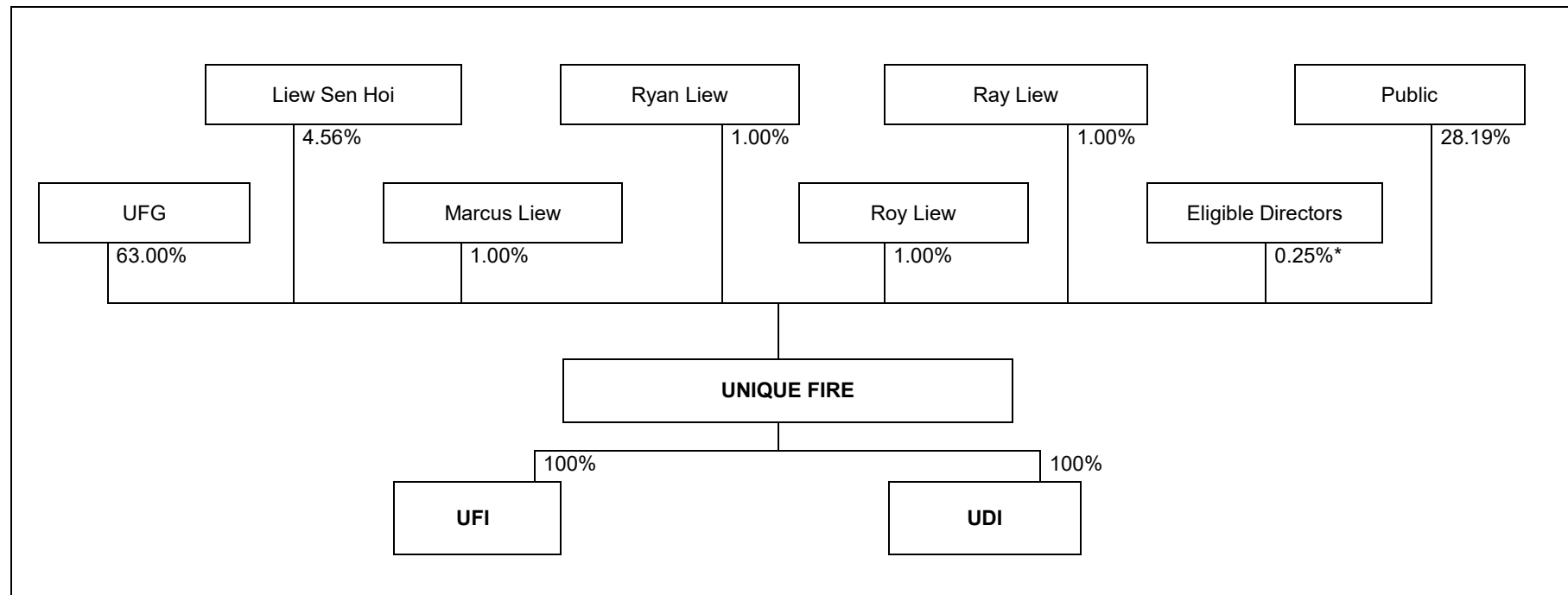
UFG is an investment holding company held by our Promoters, namely Liew Sen Hoi with equity interest of 55.00%, Lim Show Ching with equity interest of 5.00%, and Marcus Liew, Ryan Liew, Roy Liew and Ray Liew each with equity interest of 10.00%, respectively. The Share Transfer to UFG will enable 63.00% shareholdings in our Company held by the individual Promoters (all of whom are family members) to be held collectively via UFG for family succession planning purposes. Liew Sen Hoi is the spouse of Lim Show Ching, and Marcus Liew, Ryan Liew, Roy Liew and Ray Liew are their sons.

Please refer to Section 5.1.2(i) of this Prospectus for further details on UFG and 5.7 for further details of the family relationship between the Promoters.

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4. PARTICULARS OF OUR IPO (Cont'd)

Upon completion of the Share Transfer to UFG, the shareholding structure of our Group will be as follows:



Note:

* Being 1,000,000 Issue Shares to be allocated to our eligible Directors pursuant to the Pink Form Allocation.

4. PARTICULARS OF OUR IPO (Cont'd)

(e) Listing

The admission of our Company to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM[●] comprising 400,000,000 Shares on the ACE Market of Bursa Securities have been approved by Bursa Securities.

	No. of Shares	Share capital (RM)
Issued share capital as at the date of this Prospectus	316,250,000	50,599,760
New Shares to be offered pursuant to the Public Issue	83,750,000	[●]
Enlarged issued share capital upon Listing	400,000,000	[●]
Offer for Sale*	30,000,000	[●]
IPO Price		[●]
		RM
- Pro forma combined NA per Share <i>(based on our enlarged issued share capital after our IPO and after the use of proceeds raised from our Public Issue)</i>		[●]
- Market capitalisation upon Listing <i>(based on the IPO Price and our enlarged issued share capital after our IPO)</i>		[●]

Note:

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

The IPO Price is payable in full upon Application.

We only have one (1) class of shares, being ordinary shares, all of which rank equally with each other. Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing issued share capital, including voting rights and rights to all dividends and 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 issued share capital, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of transfer of our Offer Shares.

Subject to special rights attached to any Share which may be issued by us in the future, our shareholders shall, in proportion to 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 the whole of any surplus in the event of our liquidation, such surplus to be distributed among the members in proportion to the issued share capital at the commencement of the liquidation, in accordance with our Constitution and provisions of the Act.

4. PARTICULARS OF OUR IPO (Cont'd)

At any general meeting of our Company, each shareholder shall be entitled to vote in person, by proxy, by attorney or by a duly authorised representative under the instrument of proxy or certificate of appointment of corporate representative or power of attorney. On a show of hands, each present shareholder either in person, by proxy, by attorney or by a duly authorised representative under the instrument of proxy or certificate of appointment of corporate representative or power of attorney shall have one (1) vote. Subject to any express requirements under the Listing Requirements, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, shall be voted by poll. On a poll, each present shareholder either in person, by proxy, shall have one (1) vote for each Share held. A proxy may but need not be a shareholder of our Company and shall be entitled to vote on a poll provided he is the only proxy appointed by the shareholder of our Company. If a shareholder appointed more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument of proxy, otherwise the appointment shall not be valid.

4.2 BASIS OF ARRIVING AT THE IPO PRICE

Our Directors and AIBB, as the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, had determined and agreed upon the IPO Price after taking into consideration the following factors:

(i) Financial and operating history

Based on the historical audited combined statements of profit or loss and other comprehensive income of our Group for the FYE 2021, we recorded a PAT of RM5.32 million representing an EPS of 1.68 sen (based on the existing issued share capital of 316,250,000 Shares) and 1.33 sen (based on the enlarged issued share capital of 400,000,000 Shares upon Listing) resulting in PE Multiple of [●] times and [●] times, respectively.

Our detailed operating and financial history is outlined in Sections 6 and 11 of this Prospectus, respectively.

(ii) Business strategies

Our business strategies are outlined in Section 6.18 of this Prospectus.

(iii) Competitive advantages and key strengths, and industry overview

Our competitive advantages and key strengths, and the industry overview are outlined in Sections 6.1.2 and 7 of this Prospectus, respectively.

(iv) Pro forma combined NA

The pro forma combined NA per Share as at 31 March 2021 of RM[●] based on the enlarged issued share capital of 400,000,000 Shares in our Company upon Listing and after use of proceeds.

You should note that the market price of our Shares upon and subsequent to our Listing is subject to the vagaries of market forces and other uncertainties, which may affect the trading price of our Shares. You are reminded to consider the risk factors set out in Section 8 of this Prospectus before deciding to invest in our Shares.

4. PARTICULARS OF OUR IPO (Cont'd)

4.3 DILUTION

Dilution is the amount by which the IPO Price to be paid by investors for our Issue Shares / Offer Shares exceeds our pro forma combined NA per Share after our IPO and is as follows:

	RM
IPO Price	[●]
Pro forma combined NA per Share as at 31 March 2021 before the Public Issue	0.16
Pro forma combined NA per Share as at 31 March 2021 after the Public Issue and use of proceeds	[●]
Increase in NA per Share attributable to existing shareholders	[●]
Dilution in NA per Share to new investors	[●]
Dilution in NA per Share as a percentage of the IPO Price	[●]%

Save as disclosed below, there has been no acquisition of any existing equity securities in our Company by our Promoters, substantial shareholders, Directors and / or key senior management, or persons connected with them from the date of our incorporation to the date of this Prospectus, or which they have the right to acquire:

Promoters, substantial shareholders, Directors and / or key senior management or persons connected with them	No. of Shares held before our IPO*	No. of Shares held from our IPO**	Total consideration RM	Effective cash cost per share RM
Promoter and substantial shareholder				
UFG	-	252,000,000	[●]	[●]
Lim Show Ching	15,792,400	-	2,526,664	0.16
Promoters, substantial shareholders and Directors				
Liew Sen Hoi	173,784,000	-	27,805,320	0.16
Marcus Liew	31,668,400	-	5,066,944	0.16
Ryan Liew	31,668,400	-	5,066,944	0.16
Other Directors				
Selma Enolil Binti Mustapha Khalil	-	250,000	[●]	[●]
Ir. Tee Kiam Hong	-	250,000	[●]	[●]
Olivia Lim	-	250,000	[●]	[●]
Andrea Huong Jia Mei	-	250,000	[●]	[●]
Promoters, substantial shareholders and key senior management				
Roy Liew	31,668,400	-	5,066,944	0.16
Ray Liew	31,668,400	-	5,066,944	0.16

4. PARTICULARS OF OUR IPO (Cont'd)

Promoters, substantial shareholders, Directors and / or key senior management or persons connected with them	No. of Shares held before our IPO*	No. of Shares held from our IPO**	Total consideration RM	Effective cash cost per share RM
Key senior management				
Cheow Zi Ying	-	120,000	[●]	[●]
Tan Hoay Ling	-	120,000	[●]	[●]
Mohamad Azmir Bin Ramli	-	120,000	[●]	[●]

Notes:

* After the Acquisition of UFI and UDI

** After the Share Transfer to UFG and assuming all Pink Form Allocations are fully subscribed.

4.4 USE OF PROCEEDS FROM OUR IPO

The total gross proceeds from the Public Issue will amount to RM[●] million based on the IPO Price. We expect the proceeds to be used in the following manner:

Purposes	RM'000	%	Estimated time frame for use (from the Listing date)
Expansion of manufacturing facilities	[●]	[●]	Within 36 months
Expansion of geographical coverage	[●]	[●]	Within 24 months
Expansion of operational capabilities	[●]	[●]	Within 24 months
Working capital	[●]	[●]	Within 12 months
Estimated listing expenses	[●]	[●]	Within 3 months
Total	[●]	100.00	

There is no minimum subscription to be raised from the IPO.

Pending the eventual use of proceeds raised from the Public Issue, the proceeds will be placed in interest-bearing short-term deposits or money market instruments with licensed financial institutions.

4. PARTICULARS OF OUR IPO (Cont'd)

4.4.1 Expansion of manufacturing facilities

(a) New hand portable dry chemical fire extinguisher cylinder manufacturing lines

As at the LPD, we have one (1) hand portable dry chemical fire extinguisher cylinder manufacturing line with annual production capacity of 210,000 units. In FYE 2021, the actual production output was 175,856 units of hand portable dry chemical fire extinguishers, which recorded a utilisation rate of 83.74%.

We intend to allocate RM[●] million, representing approximately [●]% of the proceeds from our Public Issue, for the installation of two (2) new hand portable dry chemical fire extinguisher cylinder manufacturing lines progressively within a period of 36 months from the Listing date. The New Manufacturing Line 1 and New Manufacturing Line 2 ("**New Manufacturing Lines**") are expected to commence operations in the second half of 2023 and 2025, respectively. The New Manufacturing Lines will utilise the rolling and welding method as compared to the current deep drawing method where a circular blank steel sheet is drawn into a cylinder shape over three stages. Please refer to Section 6.10.5 of this Prospectus for additional information. The new manufacturing method uses steel sheet which is cut and rolled into the required diameter and the edges are automatically welded to form a tube, which will results in changes in the dimension of the cylinders compared to our existing manufactured cylinders. The rolling and welding method results in lower overall surface area for the same capacity compared to cylinders manufactured by deep drawing, resulting in less usage of material. Each new manufacturing line has an estimated output capacity of 235,000 cylinders per year. With the installation of the two (2) new manufacturing lines, our estimated output capacity will increase by approximately more than 200%. The estimated costs of the installation of the New Manufacturing Lines are set out below:

	Total estimated cost RM'000
Purchase and installation of the first new hand portable dry chemical manufacturing line (" New Manufacturing Line 1 ")	[●]
Purchase and installation of the second new hand portable dry chemical manufacturing line (" New Manufacturing Line 2 ")	[●]
Total	[●]

(b) New hand portable dry chemical fire extinguishers that comply with MS and BS

We intend to use the New Manufacturing Lines to manufacture new hand portable dry chemical fire extinguishers that comply with MS and BS for domestic and export markets. The MS-certified hand portable dry chemical fire extinguishers are targeted at the Malaysian market. The BS-certified fire extinguishers are targeted at export markets that accept BS such as Hong Kong and Saudi Arabia, which is expected to enlarge our export markets and increase our export sales. We expect to receive the MS-certification and BS-certification by second half of 2023 and 2024, respectively.

4. PARTICULARS OF OUR IPO (Cont'd)

We intend to allocate RM[●] million, representing approximately [●]% of the proceeds from our Public Issue, for the costs of developing the prototypes and obtaining the relevant certifications for the new MS and BS-certified hand portable dry chemical fire extinguishers, the breakdown of which is as follows:

	Estimated cost RM'000
Development of prototypes and obtaining certification for MS-certified hand portable dry chemical fire extinguishers	[●]
Development of prototypes and obtaining certification for BS-certified hand portable dry chemical fire extinguishers	[●]
	[●]

The main difference between MS- and BS-certified hand portable dry chemical fire extinguishers is that BS-certified hand portable dry chemical fire extinguishers utilise monoammonium phosphate in higher concentration, as they are designed to more quickly extinguish fires (of similar intensity) at faster speed as compared to MS-certified hand portable dry chemical fire extinguishers. Other than this, MS- and BS-certified hand portable dry chemical fire extinguishers are comparable in terms of design and working principle.

If the actual costs for the expansion of manufacturing facilities are higher than budgeted, the deficit will be funded by internally generated funds and/or bank borrowings. Conversely, if the actual costs for the expansion of manufacturing facilities are lower than budgeted, the excess will be used for working capital purposes to purchase input materials for our assembly and manufacturing activities and goods for our distribution.

4.4.2 Expansion of geographical coverage

(a) Establish new sales offices and warehouses in Johor and Penang

We intend to allocate RM[●] million, representing approximately [●]% of the proceeds from our Public Issue, for the setting up of one (1) new sales office with warehouse in Johor and Penang, respectively, within a period of 24 months from the Listing date.

To cater for the expansion in our business, the new sales offices are mainly to serve our existing customers and to engage with prospective new customers at the respective regions. The warehouses will be used mainly to maintain inventories of commonly purchased items so that we can fulfill our customers' orders promptly and efficiently. The new sales offices and warehouses in Johor and Penang are expected to commence business operations by second half of 2022.

We anticipate that the total costs required to set up each new sales office with warehouse in Johor and Penang is approximately RM[●] million, which include mainly the following:-

	Total estimated cost RM'000	
	Johor	Penang
Rental of sales offices and warehouses for 24 months ⁽¹⁾	[●]	[●]

4. PARTICULARS OF OUR IPO (Cont'd)

	Total estimated cost RM'000	
	Johor	Penang
Operating expenses for 24 months ⁽²⁾	[•]	[•]
Staff costs for 24 months ⁽³⁾	[•]	[•]
Purchase lorry, forklift, racking, office equipment, furniture and renovations	[•]	[•]
Total	[•]	[•]

Notes:

- (1) Our Group intends to rent the sales offices and warehouses at Johor and Penang.
- (2) Operating expenses include utilities such as water and electricity, security, internet and general upkeep and maintenance.
- (3) The staffs intend to be hired for the new sales offices and warehouses in Johor and Penang and the corresponding staff costs for payroll for 24 months are as follows:

	Johor		Penang	
	Number of personnel	Estimated staff costs for 24 months RM'000	Number of personnel	Estimated staff costs for 24 months RM'000
General manager	1	[•]	1	[•]
Sales and marketing officer	3	[•]	3	[•]
Warehouse personnel	4	[•]	4	[•]
Delivery personnel	2	[•]	2	[•]
Total	10	[•]	10	[•]

Please refer to Section 6.18.4(i) of this Prospectus for further details of our business plans and strategies in relation to the setting up of new sales offices and warehouses.

(b) Enhance advertising and marketing activities

We intend to allocate RM[•] million, representing approximately [•]% of the proceeds from our Public Issue, to enhance our advertising and marketing activities in Malaysia and targeted foreign countries or regions including Hong Kong and the Middle East. We intend to target Hong Kong due to our dealing with Hong Kong customers in FYE 2021 with a revenue of RM0.53 million (0.83%), and plan to export our new BS-certified hand portable dry chemical fire extinguishers to Hong Kong. We intend to target the Middle East as one of our suppliers, Orient Corporation has business and customers in that region.

4. PARTICULARS OF OUR IPO (Cont'd)

The estimated costs for the advertising and marketing activities are set out below:

	Total estimated cost RM'000
Advertising activities including outdoor advertising on billboards, advertising on trade publications and online advertising targeting Malaysia (" Advertising Activities ")	[●]
Marketing activities including organising seminars and events in Malaysia, participating in exhibitions in Malaysia and foreign countries ⁽¹⁾ , producing corporate videos and appointing new distributors in foreign countries (" Marketing Activities ")	[●]
Total	[●]

Note:

(1) We intend to participate in exhibitions of foreign countries, namely the INTERSCHUTZ at Hannover Exhibition Grounds in Germany, and China Fire Expo in Beijing, China.

The above advertising and marketing activities are targeted to be implemented during the year of 2022 and 2023 with the purpose to build our brand equity and increase customer awareness, particularly in new markets.

As at the LPD we do not have appointed distributors in other countries. As part of our enhancing advertising and marketing activities, we intend to appoint new distributors in Brunei, Cambodia, Hong Kong, Myanmar and Vietnam to expand our geographic reach and to grow our export sales. We have selected these countries due to our dealings with the customers in these countries during the Financial Years Under Review. In addition, some of our fire protection systems and equipment already have the relevant certifications and approvals that meet the requirements of these countries. We expect to leverage on the expertise and distribution network of the distributors in the respective countries to increase the sales of our products abroad.

If the actual costs for the expansion of geographical coverage are higher than budgeted, the deficit will be funded by internally generated funds and/or bank borrowings. Conversely, if the actual costs for the expansion of geographical coverage are lower than budgeted, the excess will be used for working capital purposes to purchase input materials for our assembly and manufacturing activities and goods for our distribution.

4.4.3 Expansion of operational capabilities

(a) Increase storage capacity and implement a warehouse management system

We intend to allocate RM[●]million, representing approximately [●]% of the proceeds from our Public Issue, to increase our storage capacity and implement a warehouse management system ("**WMS**"), the breakdown of which is set out below:

4. PARTICULARS OF OUR IPO (Cont'd)

	Total estimated cost RM'000
Mezzanine levels	[●]
WMS	[●]
Racking system	[●]
3 new forklifts and 2 new lorries	[●]
Total	[●]

We anticipate that additional storage capacity is required in the future amidst the expansion of our business. We plan to install two (2) new mezzanine levels within our existing Operational Facility in Shah Alam, Selangor, one above the existing manufacturing area and one above the existing warehouse area, and a racking system will be installed on the existing ground floor and the new mezzanine levels. These new mezzanine levels will increase the usable floor area of our Operational Facility by approximately 10,228 sq ft or 8.92% from approximately 114,656 sq ft to approximately 124,884 sq ft. This new usable floor area will be entirely allocated for storage use, which will increase our storage area by 67.59% from approximately 15,132 sq ft to approximately 25,360 sq ft. The two (2) new mezzanine levels and racking system are expected to be completed by first half of 2023 and the CCC is expected to be obtained from the relevant authorities by second half of 2023.

In addition, we will equip our warehouse at our existing Operational Facility in Shah Alam, Selangor with a WMS to digitalise and automate our inventory management functions by second half of 2022. This will improve our inventory management and facilitate faster and more accurate storage and retrieval of goods. This is necessary in view that our current inventory management is carried out manually, and also enhance our operational capabilities to support our business strategies and plans set out in Section 6.18 of this Prospectus. To support the increased warehouse capacity, part of the IPO proceeds will also be used to purchase three (3) forklifts and two (2) trucks by first half of 2024 to enhance our warehousing and delivery operations.

(b) Digital fire extinguisher identification data systems and enhance IT system

We intend to allocate RM[●]million, representing approximately [●]% of the proceeds from our Public Issue, for the implementation of digital fire extinguisher identification data systems and enhancement of our IT system, the breakdown of which is set out below:

	Total estimated cost RM'000
Purchase of digital fire extinguisher identification data systems	[●]
Purchase of IT hardware and office software, and development of client portal	[●]
Total	[●]

4. PARTICULARS OF OUR IPO (Cont'd)

We are currently using a manual paper-based fire extinguisher identification method to record the identification data of the fire extinguishers we assemble or manufacture, such as serial numbers, manufacturing and end of shelf life dates, and assigned locations. The relevant information is then submitted manually to Bomba for the eFEIS. We intend to digitalise the process by replacing the manual process with two (2) automated digital fire extinguisher identification data systems which we will purchase and set up for our existing operations and the New Manufacturing Line 1, respectively. The two (2) automated digital fire extinguisher identification data systems are expected to be set up by first half of 2022 and 2023, respectively. This will allow us to eliminate duplicate information, increase the efficiency and accuracy of record keeping. The system also enables us to monitor maintenance schedules and end of shelf life dates, and proactively engage with our customers or end-users to offer maintenance services or replacements accordingly. The relevant information can also be submitted electronically by customers to Bomba for the eFEIS which will benefit our customers by saving time and reducing errors.

To enhance our IT system in order to increase the efficiency of our operations, we will purchase desktop computers and office software for our technical, administrative and other office staff based at our head office, and develop a client portal that enables our authorised customers to access eFEIS data for their fire extinguishers by first half of 2022. The client portal also allows our customers to conduct their purchases online and to track their order status. We will also purchase additional software licences by first half of 2023 to allow the new sales offices and warehouses that we intend to set up to access to our existing ERP system.

(c) Install rooftop solar photovoltaic system

We intend to install a rooftop solar photovoltaic (“PV”) system at our existing Operational Facility in Shah Alam, Selangor, by second half of 2022 in order to reduce our utility cost. The total utility cost of electricity our Group recorded in FYE 2019, FYE 2020 and FYE 2021 was RM0.33 million, RM0.33 million and RM0.29 million, respectively. The average utility cost savings of the planned solar PV system is projected at approximately RM0.19 million per year.

We will allocate RM[●]million, representing approximately [●]% of the proceeds from our Public Issue, for the full costs of engaging a third party vendor to construct the solar PV system, which includes the expenses of designing the solar PV system, submission to the relevant authorities and the installation of the solar PV system. As at the LPD, we have identified a vendor and obtained a quotation from them.

If the actual costs for the expansion of operational capabilities are higher than budgeted, the deficit will be funded by internally generated funds and/or bank borrowings. Conversely, if the actual costs for the expansion of operational capabilities are lower than budgeted, the excess will be used for working capital purposes to purchase input materials for our assembly and manufacturing activities and goods for our distribution.

4.4.4 Working capital

Our Group’s working capital requirement is expected to increase in tandem with the expansion of our business. After taking into consideration of our liquidity and capital resources position as detailed in Section 11.3.4 of this Prospectus, we intend to allocate RM[●] million, representing approximately [●]% of the proceeds from our Public Issue, as working capital to finance our Group’s future operations mainly in respect of purchase of input materials and goods for distribution. The breakdown of the allocation is set out below:

4. PARTICULARS OF OUR IPO (Cont'd)

	Total estimated cost RM'000
Purchase of input materials for our assembly and manufacturing activities	[●]
Purchase of goods for our distribution	[●]
Total	[●]

Material costs, which consists of input materials for our assembly and manufacturing activities and goods purchased from suppliers and/or manufacturers for onwards sale or distribution to our customers, are our largest cost of sales items. It accounted for 92.62%, 92.03% and 91.57% of our total cost of sales for the FYE 2019, FYE 2020 and FYE 2021, respectively. The input materials, include among others, empty cylinders, parts for fire hose reels and fire hoses extinguishing agents are materials purchased for the purpose of assembly and manufacturing activities, whereas the goods for distribution are ready for sale items which include, among others, fire protection equipment and accessories, sprinkler systems and wet and dry riser systems and hydrants, for the purpose of distribution. This working capital allocation is expected to enhance our Group's liquidity and cash flow position and to reduce our reliance on external financing to support the expected growth in our daily operations.

4.4.5 Estimated listing expenses

Our listing expenses are estimated to be RM[●] million, details of which are as follows:

	RM'000
Professional fees ⁽¹⁾	[●]
Fees to authorities	[●]
Estimated underwriting, placement and brokerage fees	[●]
Printing and advertising	[●]
Contingencies ⁽²⁾	[●]
Total	[●]

Notes:

- (1) Includes professional and advisory fees for, among others, Principal Adviser, Solicitors, Reporting Accountants and IMR.
- (2) Other incidental or related expenses in connection with the IPO, which include translators, media related expenses and IPO event expenses.

If the actual listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes to purchase input materials for our assembly and manufacturing activities and goods for our distribution.

Our Company will not receive any proceeds from the Offer for Sale. Based on the IPO Price, the gross proceeds from the Offer for Sale of approximately RM[●] million will accrue entirely to the Offeror. The Offeror shall bear the entire incidental expenses and fees in relation to the Offer for Sale, amounting to approximately RM[●] million.

The financial impact of the use of proceeds from our Public Issue is illustrated in the Pro Forma Combined Statements of Financial Position as at 31 March 2021 set out in Section 11.9 of this Prospectus.

4. PARTICULARS OF OUR IPO (Cont'd)

4.5 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.5.1 Brokerage fee

We will bear the brokerage fees to be incurred on the issue of the 28,000,000 Issue Shares pursuant to our IPO under Sections 4.1.1(b)(i) and 4.1.1(b)(ii) of this Prospectus at the rate of [•]% of the IPO Price in respect of successful Applications which bear the stamp of AIBB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

4.5.2 Underwriting commission

AIBB, as our Sole Underwriter has agreed to underwrite 28,000,000 Issue Shares as set out in Sections 4.1.1(b)(i) and 4.1.1(b)(ii) of this Prospectus. We will pay our Sole Underwriter an underwriting commission at an average rate of [•]% of the total value of the Shares underwritten at the IPO Price.

4.5.3 Placement fee

AIBB, as our Placement Agent has agreed to place out 55,750,000 Issue Shares and 30,000,000 Offer Shares available under the placement to selected investors as well as Bumiputera investors approved by the MITI as set out in Sections 4.1.1(b)(iii), 4.1.1(b)(iv) and 4.1.1(c) of this Prospectus, at the rate of [up to] [•]% of the IPO Price for each Issue Share / Offer Share to be placed out by the Placement Agent.

The placement fees to be incurred on the sale of 30,000,000 Offer Shares will be fully borne by the Offeror.

4.6 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

On [•], we have entered into the Underwriting Agreement with the Sole Underwriter to underwrite 28,000,000 Issue Shares ("**Underwritten Shares**"), upon the terms and subject to the conditions as set out in the Underwriting Agreement.

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 is available.]

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