

#### 4. PARTICULARS OF OUR IPO

##### 4.1 OPENING AND CLOSING OF APPLICATION

The Application period will open at 10.00 a.m. on [●] and will remain open until 5.00 p.m. on [●]. **Late Application will not be accepted.**

##### 4.2 INDICATIVE TIMETABLE

Events	Tentative Date
Issuance of Prospectus/Opening of Application	10.00 a.m., [●]
Closing of Application	5.00 p.m., [●]
Balloting of Application	[●]
Allotment of IPO Shares to successful applicants	[●]
Listing	[●]

If there is any change to the timetable, we will make an announcement on Bursa Securities' website and advertise a notice of such change in a widely circulated Bahasa Malaysia and English daily newspapers in Malaysia.

##### 4.3 DETAILS OF OUR IPO

Our IPO consists of the Public Issue and Offer for Sale, totalling up to 111,570,000 IPO Shares at the IPO Price, payable in full on application and is subject to the terms and conditions of this Prospectus. Upon acceptances, the IPO Shares are expected to be allocated in the manner described below, subject to the underwriting arrangement, minimum subscription level, as well as clawback and reallocation as set out in Section 4.3.3 of this Prospectus.

The allocation of our IPO Shares are as follows: -

	Public Issue		Offer for Sale		Total IPO Shares	
	No. of shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Malaysian Public	19,570,000 <sup>(2)</sup>	5.26	-	-	19,570,000 <sup>(2)</sup>	5.26
Pink Form Allocations	21,196,000	5.70	-	-	21,196,000	5.70
Private Placement to: -						
• Bumiputera investors approved by MITI	30,804,000	8.28	15,696,000	4.22	46,500,000	12.50
• Selected investors	-	-	24,304,000	6.53	24,304,000	6.53
<b>Total</b>	<b>71,570,000</b>	<b>19.24</b>	<b>40,000,000</b>	<b>10.75</b>	<b>111,570,000</b>	<b>29.99</b>

Notes: -

(1) Based on our enlarged issued share capital of 372,000,002 Shares after our IPO.

(2) 9,785,000 Shares, representing 50% of the allocation, are made available for application to Bumiputera public investors.

**4. PARTICULARS OF OUR IPO (cont'd)****4.3.1 Public Issue**

Our Public Issue of 71,570,000 new Shares, representing approximately 19.24% of our enlarged issued share capital, at the IPO Price, is subject to the terms and conditions of this Prospectus and shall be allocated and allotted in the following manner: -

**(i) Malaysian Public**

19,570,000 Public Issue Shares, representing approximately 5.26% of our enlarged issued share capital, will be made available for application by the Malaysian Public by way of balloting; of which 50% of this allocation representing 9,785,000 Public Issue Shares shall be made available to Bumiputera public investors.

**(ii) Pink Form Allocations**

21,196,000 Public Issue Shares, representing approximately 5.70% of our enlarged issued share capital, will be reserved for application by the eligible Directors, Key Senior Management, employees and business associates (including any other persons who have contributed to our success) as follows: -

<b>Category</b>	<b>Number of eligible persons</b>	<b>Aggregate number of Public Issue Shares allocated</b>
Directors	4	1,800,000
Key Senior Management	7	15,669,000
Employees and business associates (including any other persons who have contributed to our success)	58	3,727,000
<b>Total</b>	<b>69</b>	<b>21,196,000</b>

The criteria for allocation to our eligible Directors are based on, amongst others, their respective roles, responsibilities and anticipated contributions to our Group. The number of Public Issue Shares allocated to our eligible Directors is as follows: -

<b>Eligible Directors</b>	<b>Designation</b>	<b>No. of Public Issue Shares allocated</b>
Noor Azman Bin Nordin	Independent Non-Executive Chairman	450,000
Khor Chai Tian	Independent Non-Executive Director	450,000
Ooi Hun Pin	Independent Non-Executive Director	450,000
Stephen Chua Chee Keong	Independent Non-Executive Director	450,000
<b>Total</b>		<b>1,800,000</b>

The criteria for allocation to our eligible Key Senior Management are based on, amongst others, the following: -

- (a) must be a full-time and confirmed employee;
- (b) at least eighteen (18) years of age;
- (c) is not an undischarged bankrupt nor subject to any bankruptcy proceedings; and
- (d) seniority, roles and responsibilities, length of service, past performance and contributions made to our Group and anticipated contributions to our Group in future and any other factors deemed relevant by our Board.

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

The number of Public Issue Shares allocated to our eligible Key Senior Management is as follows: -

<b>Eligible Key Senior Management</b>	<b>Designation</b>	<b>No. of Public Issue Shares allocated</b>
Tan Cheng Cheng	Chief Financial Officer	1,071,500
Wang Boon Phoey	Director of BW Perkasa UAE	2,142,500
Yeow Song You	Director of BW Engineering	3,750,000
Goh Toh Sin	General Manager cum Marketing Manager of EP Machinery	6,472,500
Yeoh Choi Goeh @ Yeoh Choi Hwang	Export Marketing Manager of EP Machinery	893,000
Loh Chow Hong	Factory Manager of EP Machinery	893,000
Wong Wei Choo	Accounts and Purchasing Manager of EP Manufacturing	446,500
<b>Total</b>		<b>15,669,000</b>

The criteria for allocation to our eligible employees (as approved by our Board), are based on, amongst others, the following: -

- (a) must be a full-time and confirmed employee;
- (b) at least eighteen (18) years of age;
- (c) is not an undischarged bankrupt nor subject to any bankruptcy proceedings; and
- (d) seniority, job grade, length of service, past performance and contributions made to our Group, anticipated contributions to our Group and any other factors deemed relevant by our Board.

The criteria for allocation to our business associates (including any other persons who have contributed to our success) are based on, amongst others, their level of contribution, length of business relationship and support to the growth of our Group.

**(iii) Private placement to Bumiputera investors approved by MITI**

30,804,000 Public Issue Shares, representing approximately 8.28% of our enlarged issued share capital, will be made available for application by Bumiputera investors approved by MITI by way of private placement.

**4.3.2 Offer for Sale**

The Selling Shareholder will offer 40,000,000 Offer Shares, representing approximately 10.75% of our enlarged issued share capital, at the IPO Price, by way of private placement to selected investors in the following manner: -

- (i) 15,696,000 Offer Shares, representing approximately 4.22% of our enlarged issued share capital, shall be made available to Bumiputera investors approved by MITI; and
- (ii) 24,304,000 Offer Shares, representing approximately 6.53% of our enlarged issued share capital, shall be made available to selected investors.

As at the LPD and save as disclosed in Section 4.3.1(ii) of this Prospectus, to the extent known to our Company: -

- (i) there are no substantial shareholders, Directors or Key Senior Management that have the intention to subscribe the IPO Shares; and
- (ii) there is no person that intends to subscribe for more than 5% of the IPO Shares.

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

The details of our Selling Shareholder are as follows: -

Selling Shareholder	Material relationship with our Group	As at the LPD		Offer for Sale		After IPO	
		No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(2)</sup>	No. of Shares	% <sup>(2)</sup>
Yeoh Chee Min	Yeoh Chee Min is our Promoter, substantial shareholder and Managing Director.	185,007,501	61.58	40,000,000	10.75	145,007,501	38.98

*Notes: -*

(1) *Based on our issued share capital of 300,430,002 Shares after the Pre-Listing Exercise.*

(2) *Based on our enlarged issued share capital of 372,000,002 Shares after our IPO.*

Based on the IPO Price, the entire proceeds of approximately RM[●] million arising from the Offer for Sale will accrue entirely to the Selling Shareholder and not to the Company. All expenses relating to the Offer for Sale will be fully borne by the Selling Shareholder.

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#### 4. PARTICULARS OF OUR IPO (*cont'd*)

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##### 4.3.3 Underwriting, Minimum Subscription Level, Clawback and Reallocation

19,570,000 Public Issue Shares made available for application by the Malaysian Public and 21,196,000 Public Issue Shares made available for application under the Pink Form Allocations as set out in Section 4.3.1 of this Prospectus, are fully underwritten by our Underwriter.

The following IPO Shares, as set out in Sections 4.3.1 and 4.3.2 of this Prospectus, are not underwritten: -

- (i) 30,804,000 Public Issue Shares made available to Bumiputera investors approved by MITI by way of private placement;
- (ii) 15,696,000 Offer Shares made available to Bumiputera investors approved by MITI by way of private placement; and
- (iii) 24,304,000 Offer Shares made available to selected investors by way of private placement.

Irrevocable undertakings will be obtained from the Bumiputera investors approved by MITI and the selected investors under the private placement, to subscribe for the IPO Shares made available, post approval-in-principle for registration of the Prospectus.

There is no minimum subscription in terms of the amount of proceeds to be raised from our IPO. However, in order to comply with the public spread requirements of the Listing Requirements, the minimum subscription level will be the number of Shares required to be held by public shareholders.

Pursuant to the Listing Requirements, at least 25.00% of our enlarged issued share capital must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the time of our Admission. Prior to our Admission, we will ensure that this requirement is met through the balloting process and the private placement exercise to ensure that a minimum 200 public shareholders holding not less than 100 Shares each is in place and at least 25.00% of our enlarged issued share capital are held by public shareholders.

If the public spread requirement is not met, we may not be permitted to proceed with the Listing. In such event, monies paid in respect of all applications will be returned in full, without interest or any share of revenue or benefits arising therefrom. If such monies are not returned in full within fourteen (14) days after we become liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly.

There is no over-allotment or “greenshoe” option which will result in an increase in the number of our IPO Shares.

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

- (i) if the Public Issue Shares allocated to the Malaysian Public are not fully subscribed, such unsubscribed Public Issue Shares will be made available for subscription in the following manner: -
  - (a) firstly, by the eligible persons under the Pink Form Allocations;
  - (b) secondly, by selected investors under the private placement; and
  - (c) lastly, by our Underwriter based on the terms of the Underwriting Agreement as set out in Section 4.10 of this Prospectus.

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

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- (ii) If the Public Issue Shares under the Pink Form Allocations are not fully subscribed, such unsubscribed Public Issue Shares will be re-allocated to the other eligible persons under the Pink Form Allocations who have applied for excess Public Issue Shares (“**Excess Shares**”), if any, in addition to their pre-determined allocation. Such Excess Shares will be allocated to these other eligible persons under the Pink Form Allocations on a fair and equitable basis in the following priority: -
- (a) firstly, allocation on a proportionate basis to the eligible persons under the Pink Form Allocations who have applied for Excess Shares based on the number of Excess Shares applied for; and
  - (b) secondly, to minimise odd lots.

Our Board reserves the right to allocate to the eligible persons under the Pink Form Allocations who have applied for Excess Shares on top of their pre-determined allocation in such manner as it deems fit and expedient in the best interest of our Company. Our Board also reserves the right to accept any Excess Shares application, in full or in part, without assigning any reason.

In the event of under-subscription by the eligible persons under the Pink Form Allocations (after the abovementioned reallocation for Excess Shares), such remaining unsubscribed Public Issue Shares under the Pink Form Allocations will first be made available for subscription by the Malaysian Public, and thereafter be made available to the selected investors under the private placement followed by our Underwriter based on the terms of the Underwriting Agreement as set out in Section 4.10 of this Prospectus.

- (iii) If the Public Issue Shares or Offer Shares allocated to Bumiputera investors approved by MITI under the private placement are not fully subscribed, such unsubscribed Public Issue Shares or Offer Shares shall be subject to the following re-allocation provisions: -
- (a) firstly, to be made available to Malaysian institutional investors by way of private placement;
  - (b) secondly, to be made available for application by the Bumiputera public investors as part of the balloting process; and
  - (c) lastly, to be made available for application by the Malaysian Public and/or selected investors by way of private placement.
- (iv) If the Offer Shares allocated to selected investors under the private placement are not fully subscribed, such unsubscribed Offer Shares will first be made available for subscription by the Bumiputera investors approved by MITI under the private placement, and thereafter be made available to the Malaysian Public followed by the eligible persons under the Pink Form Allocations. The Selling Shareholder will retain the Offer Shares which are not subscribed after the aforementioned reallocation.

The clawback and reallocation provisions will not apply in the event there is an over-subscription in all of the allocations of our IPO Shares at the closing date of Application.

The allocation of our IPO Shares shall be in a fair and equitable manner and shall take into consideration our Board’s intention to distribute our IPO Shares to a minimum number of 200 applicants with a view of broadening our Company’s shareholding base to meet the public shareholding spread requirements of Bursa Securities and to establish a liquid market for our Shares.

**4. PARTICULARS OF OUR IPO (cont'd)****4.4 SHARE CAPITAL**

	<b>No. of Shares</b>	<b>RM</b>
Existing issued Shares as at the date of this Prospectus <sup>(1)</sup>	300,430,002	30,043,002
New Shares to be issued under the Public Issue	71,570,000	[●] <sup>(2)</sup>
<b>Enlarged issued share capital upon Listing</b>	<b>372,000,002</b>	<b>[●]</b>
<b>IPO Price per Share</b>		<b>RM[●]</b>
<b>Market capitalisation upon Listing<sup>(3)</sup></b>		<b>RM[●]</b>

Notes: -

(1) Upon completion of the Pre-Listing Exercise.

(2) Prior to the utilisation of proceeds.

(3) Calculated based on the IPO Price per Share and our enlarged issued share capital of 372,000,002 Shares upon Listing.

The Offer for Sale would not have any effect on our issued share capital as the Offer Shares are already in existence prior to our IPO.

As at the date of this Prospectus, we have only one (1) class of shares, being ordinary shares, all of which rank *pari passu* with one another.

The Public Issue Shares will, upon allotment and issuance, rank *pari passu* in all respects with our existing Shares, including voting rights and will be entitled to all rights, dividends and distributions that may be declared subsequent to the date of allotment of our Public Issue Shares.

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

Each of our shareholders shall be entitled to vote at any of our general meeting in person, or by proxy or by attorney, or being a corporation, by a duly authorised representative. Every shareholder present in person or by proxy or by attorney or by duly authorised representative shall have one (1) vote, and on a poll, every shareholder present in person or by proxy or by attorney or by duly authorised representative shall have one (1) vote for each Share held. A proxy may, but need not be, a member of our Company.

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#### **4. PARTICULARS OF OUR IPO (cont'd)**

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##### **4.5 OBJECTIVES OF OUR IPO**

The objectives of our IPO are as follows: -

- (i) to enable our Group to raise funds for the purposes as set out in Section 4.8 of this Prospectus;
- (ii) to enable our Group to gain recognition and enhance corporate profile through our listing status and further enhance our corporate reputation;
- (iii) to enable our Group to gain access to the capital market for our anticipated expansion and growth; and
- (iv) to provide an opportunity for our eligible Directors, Key Senior Management, employees and business associates (including any other persons who have contributed to our success), as well as the Malaysian Public to participate in our equity and growth of our Group.

##### **4.6 BASIS OF ARRIVING AT THE IPO PRICE**

The IPO Price of RM[●] per Share was determined after taking into consideration the following factors: -

- (i) our Group's diluted EPS of [●] sen, computed based on our audited combined PAT attributable to the owners of our Company of approximately RM12.28 million for the FYE 2022 and our enlarged issued share capital of 372,000,002 Shares upon Listing, which translates to a PE Multiple of approximately [●] times;
- (ii) our Group's pro forma combined NA per Share of RM[●] as at 31 December 2022, computed based on our Group's pro forma combined NA of RM[●] million after taking into consideration the utilisation of proceeds from our Public Issue and our enlarged issued share capital of 372,000,002 Shares upon Listing;
- (iii) Our Group's operating and financial performance as set out in Section 11 of this Prospectus;
- (iv) Our competitive strengths as set out in Section 7.19 of this Prospectus; and
- (v) Our Group's business strategies and future plans as set out in Section 7.20 of this Prospectus.

Prior to our IPO, there has been no public market for our Shares within or outside Malaysia. You should note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares being traded. You should form your own views on the valuation of our IPO Shares before deciding to invest in our Shares. You are reminded to carefully consider the risk factors as set out in Section 9 of this Prospectus.



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

**4.7 DILUTION**

Dilution is computed as the difference between the IPO Price paid by the investors of our IPO Shares and the pro forma combined NA per Share of our Group immediately after our IPO.

The pro forma combined NA per Share of our Group as at 31 December 2022 is RM0.13 per Share, based on our issued share capital of 300,430,002 Shares on completion of the Pre-Listing Exercise and before our Public Issue.

Pursuant to our Public Issue of 71,570,000 new Shares at the IPO Price, the pro forma combined NA per Share of our Group as at 31 December 2022 (after adjusting for the utilisation of proceeds) would have been RM[●], which represents an immediate increase in the proforma combined NA per Share of RM[●] to our existing shareholders. However, there is an immediate dilution in the NA per Share of RM[●], representing approximately [●]% decrease to our new investors.

The table below illustrates such dilution on a per Share basis: -

	<b>Formula</b>	<b>RM</b>
IPO Price	<b>A</b>	[●]
Pro forma combined NA per Share as at 31 December 2022, based on our issued share capital of 300,430,002 Shares on completion of the Pre-Listing Exercise and before our Public Issue	<b>B</b>	0.13
Pro forma combined NA per Share as at 31 December 2022, based on our enlarged issued share capital of 372,000,002 Shares after our IPO	<b>C</b>	[●]
Increase in pro forma combined NA per Share to our existing shareholders	<b>C – B</b>	[●]
Dilution in pro forma combined NA per Share to our new investors	<b>A – C</b>	[●]
Dilution in pro forma combined NA per Share to our new investors as a % of the IPO Price	<b>(A – C) / A</b>	[●]%

Further details of our pro forma combined NA per Share as at 31 December 2022 is set out in Section 13 of this Prospectus.

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**4. PARTICULARS OF OUR IPO (cont'd)****4.8 UTILISATION OF PROCEEDS**

The gross proceeds from our Public Issue amounting to RM[●] million is expected to be utilised in the following manner: -

<b>Details of utilisation</b>	<b>RM</b>	<b>%</b>	<b>Estimated timeframe for utilisation from the date of our Listing</b>
Factory expansion: -			
(a) Acquisition of land	[●]	[●]	Within 12 months
(b) Construction of factory	[●]	[●]	Within 36 months <sup>(1)</sup>
(c) Purchase of machinery	[●]	[●]	Within 36 months <sup>(1)</sup>
Repayment of bank borrowings	[●]	[●]	Within 6 months
Working capital	[●]	[●]	Within 12 months
Estimated listing expenses	[●]	[●]	Within 3 months
<b>Total</b>	<b>[●]</b>	<b>100.00</b>	

Note: -

(1) *Estimated to be utilised within 24 months from the completion date of the acquisition of land.*

**(i) Factory expansion****(a) Acquisition of land**

Our Group's existing main factory, corporate office, warehouse and showroom is currently located at PMT 1186, Jalan Perindustrian Bukit Minyak 18, Taman Perindustrian Bukit Minyak, Penang Science Park, 14100 Simpang Ampat, Pulau Pinang (i.e. Plant 1). Our Group is currently on a lookout for a piece of industrial land measuring approximately 5.5 acres which is in close proximity to our Plant 1. Targeted areas identified for the new factory include but are not limited to Penang Science Park, Batu Kawan, Bukit Minyak and Seberang Prai, amongst others. As part of our Group's business strategies, we intend to allocate RM[●] million representing approximately [●]% of the gross proceeds from our Public Issue for the acquisition of land to construct a new factory, corporate office, warehouse and showroom to accommodate the growth in our business (the details of which is set out under Section 4.8(i)(b) of this Prospectus). Any surplus amount arising shall be clawed back to the working capital and any shortfall shall be funded from internally-generated funds. If required, the Company will make the relevant announcements and will seek the necessary approvals from shareholders for any material variation to the intended utilisation of proceeds.

**(b) Construction of factory**

As at the LPD, we have approximately 28,335 sq ft within Plant 1 which is allocated and utilised for our fabrication and assembly activities for our food processing and packaging machinery solutions business segment. In line with our expansion plans as further set out in Section 7.20.1 of this Prospectus, we intend to allocate RM[●] million, representing approximately [●]% of the gross proceeds from our Public Issue, to fund the construction of a new single-storey factory on the land to be acquired as set out above in (a) with a built-up area of approximately 52,000 sq ft to cater for the production of food processing and packaging machineries, warehouse and showroom, and a three-storey corporate office attached with built-up area of approximately 18,000 sq ft. Any excess land areas from the proposed built-up areas will be reserved for future expansion plans in relation to our food processing and packaging machinery solutions business segment.

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

The breakdown of estimated construction costs is as follows: -

Details	Total estimated cost RM
Preliminary costs	[●]
Building works	[●]
External works	[●]
Mechanical and electrical works	[●]
<b>Total</b>	<b>[●]</b>

Any surplus amount arising shall be clawed back to the working capital and any shortfall shall be funded from internally-generated funds. If required, the Company will make the relevant announcements and will seek the necessary approvals from shareholders for any material variation to the intended utilisation of proceeds.

The indicative timeline for the construction of the new single-storey factory attached with a three-storey corporate office is as follows: -

Timeline	Events
T (completion date for the acquisition of land)	Completion of the acquisition of land
T + 6 months	<ul style="list-style-type: none"> <li>• Submission of planning permission to the local authority</li> <li>• Approval on planning permission obtained</li> <li>• Submission of building plans to the local authority</li> <li>• Approval on building plans obtained</li> </ul>
T + 7 months	Commencement of construction works
T + 24 months	Completion of construction works

In the event the actual completion of the construction of the new single-storey factory attached with a three-storey corporate office deviates from the above indicative timeline due to factors beyond the Group's control such as the approvals timeline, announcements will be made via Bursa Securities' website and where required, approvals from the relevant authorities and/or shareholders will be sought for an extension of time for the utilisation of proceeds.

Upon completion of the expansion, the existing floor space of approximately 28,335 sq ft within Plant 1 will still be utilised for fabrication and assembly activities in relation to our food processing and packaging machinery solutions business segment.

(c) Purchase of machinery

As at the LPD, we own three (3) units of CNC machines and one (1) unit of laser cutting machine that are used for the fabrication of necessary metal and plastic components under our food processing and packaging machinery solutions business segment. We intend to allocate RM[●] million, representing approximately [●]% of the gross proceeds from our Public Issue, to purchase additional machineries to cater for increasing orders from both existing and new customers. These additional machineries would enhance our in-house production capabilities and shorten the turnaround time should there be multiple large orders secured at the same time. The breakdown of the costs of machinery is as follows:

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

Type of machinery and equipment	Description	No. of units	Total estimated cost <sup>(1)</sup> RM
Vertical Machining Centre	A machine that is used for flatwork which requires tool access from the top such as for mould and die cavities.	2	[•]
CNC Turning Centre	A machine with multiple axes that uses computer programming inputs to undertake various actions such as drilling, milling, tapping, and turning to shape the desired materials.	1	[•]
CNC Press Brake/Cutting Machine	A machine that uses computer programming inputs to bend and manipulate metal sheets or perform cutting or shaping of materials.	1	[•]
<b>Total</b>		<b>4</b>	<b>[•]</b>

Note: -

(1) The costs for the abovementioned machinery are estimated based on quotation obtained from external suppliers. The actual costs may deviate from the above estimates, due to the timing difference for the actual purchase.

Any surplus amount arising shall be clawed back to the working capital and any shortfall shall be funded from internally-generated funds. If required, the Company will make the relevant announcements and will seek the necessary approvals from shareholders for any material variation to the intended utilisation of proceeds.

**(ii) Repayment of bank borrowings**

As at the LPD, the total outstanding bank borrowings (excluding lease liabilities) of our Group amounting to RM4.96 million. Our Board intends to utilise RM[•] million, representing approximately [•]% of the gross proceeds from our Public Issue to partially repay the borrowings.

The details of the bank borrowings to be repaid are as follows: -

Banking facility	Type of banking facilities/Purpose	Interest rate/ Maturity period	Outstanding amount as at LPD RM	Proposed repayment RM
Tawarruq financing (Hong Leong Islamic Bank) <sup>(1)</sup>	Tawarruq financing/ Working capital requirements	IFR-2.20% (6.64%)/ 60 months	1,547,661	[•]
Term loan 1 (RHB Bank Berhad) <sup>(2)</sup>	Term loan 1/To part finance construction cost of factory and office building	BLR-2% (effectively 6.45%)/ 120 months	899,431	[•]
Term loan 2 (RHB Bank Berhad) <sup>(2)</sup>	Term loan 2/To part finance construction cost of factory and office building	BLR-2% (effectively 6.45%)/ 120 months	715,221	[•]
Term loan (CIMB Bank Berhad) <sup>(3)</sup>	Term loan/Working capital requirements	Fixed rate (5.00%)/ 84 months	406,189	[•]
<b>Total</b>			<b>3,568,502</b>	<b>[•]</b>

Notes: -

(1) Any early repayment of borrowings may be made by giving at least three (3) month's prior written notice to the bank subject to any reimbursement cost arising from the early settlement to be determined solely by the bank in accordance with the principles of Shariah.

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

- (2) A fee of 3.0% flat of the facility will be charged for any pre-payment, whether partial or in full, or a reduction or redemption whether partial or full within the first three (3) years from the date of first drawdown. Term Loan 1 and Term Loan 2 has been drawdown since 2017 and 2018 respectively, as such, there will be no penalties on any early settlement.
- (3) There is no penalty on any early settlement.

The expected annual interest savings from the repayment of the bank borrowings is approximately RM0.19 million based on the interest rates ranging from 5.00% to 6.64% per annum for the relevant banking facilities. However, the actual interest savings may vary depending on the then applicable interest rates. Our selection to repay the above financing facilities was determined after taking into consideration the interest cost of such financing facilities and the outstanding loan amounts.

In the event that the outstanding borrowings at the time of repayment is less than the allocated amount stipulated in the table above, the surplus will be utilised for the repayment of other outstanding banking facilities. Any remaining surplus amount thereafter shall be clawed back to working capital. If required, the Company will make the relevant announcements and will seek the necessary approvals from shareholders for any material variation to the intended utilisation of proceeds.

**(iii) Working capital**

Our working capital requirement is expected to increase in conjunction with the planned expansion of our existing business operations, through enhancement of our product offerings (where we are predominantly focused on increasing the level of automation and integration of robotics technology in the machinery solutions that we provide to our customers) and extension of our market reach in both the local and overseas markets (particularly the Indonesia and the Philippines markets). We intend to allocate approximately RM[●] million, representing [●]% of the gross proceeds from our Public Issue, for working capital purposes to be utilised in the following manner: -

Details	Total estimated cost RM
Purchase of raw materials/inputs: -	
(a) machines, components and robotic technology to be further integrated, which are used in the provision of our food processing and packaging machinery solutions	[●]
(b) raw materials to be used for the manufacturing of flexible packaging materials	[●]
Purchase of finished goods: -	
(a) cellulose casings for trading purposes	[●]
Marketing and administrative expenses <sup>(1)</sup>	[●]
<b>Total</b>	<b>[●]</b>

Note: -

- (1) To defray staff costs for additional sales and marketing personnel to be employed in line with the expansion of our business operations, as well as expenses to be incurred for branding and marketing activities such as advertisement and participation in exhibitions and trade fairs.

**(iv) Estimated listing expenses**

We intend to allocate approximately RM[●] million, representing [●]% of the gross proceeds from our Public Issue for the payment of the costs of our Listing. If the actual listing expenses are higher than budgeted, the deficit will be funded by internally-generated funds. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes. If required, the Company will make the relevant announcements and will seek the necessary approvals from shareholders for any material variation to the intended utilisation of proceeds.

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

The breakdown of the estimated listing expenses is as follows: -

<b>Details</b>	<b>Total estimated cost RM</b>
Professional fees	[●]
Fees payable to authorities	[●]
Underwriting, placement and brokerage fees	[●]
Printing, advertising fees and contingencies	[●]
<b>Total</b>	<b>[●]</b>

Pending the utilisation of proceeds raised from our Public Issue, we intend to place the proceeds from our Public Issue (including accrued interest, if any) or any balance thereof in interest-bearing accounts with licensed financial institutions in Malaysia or in money market instruments.

The gross proceeds of approximately RM[●] million to be raised from the Offer for Sale will accrue entirely to the Selling Shareholder. We will not receive any proceeds from the Offer for Sale. All expenses relating to the Offer for Sale will be fully borne by the Selling Shareholder.

**4.9 BROKERAGE, PLACEMENT FEES AND UNDERWRITING COMMISSION****4.9.1 Brokerage Fee**

Our Company will pay brokerage fees to be incurred for the issuance of 19,570,000 Public Issue Shares made available for application by the Malaysian Public, at the rate of [●]% on the IPO Price, in respect of all successful applications which bear the stamp of either Malacca Securities, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association in Malaysia or the Issuing House.

**4.9.2 Placement Fee**

Our Placement Agent has agreed to place out the following: -

- (i) 30,804,000 Public Issue Shares made available for application by Bumiputera investors approved by MITI by way of private placement; and
- (ii) 40,000,000 Offer Shares, comprising 15,696,000 Offer Shares made available for application by Bumiputera investors approved by MITI and 24,304,000 Offer Shares made available for application by selected investors, by way of private placement.

We will pay our Placement Agent a placement fee at the rate of up to [●]% on the value of 30,804,000 Public Issue Shares at the IPO Price placed out by our Placement Agent.

The placement fee for the 40,000,000 Offer Shares placed out by our Placement Agent will be fully borne by the Selling Shareholders via the gross proceeds raised from the Offer for Sale.

**4.9.3 Underwriting Commission**

Our Underwriter has agreed to underwrite 19,570,000 Public Issue Shares made available for application by the Malaysian Public and 21,196,000 Public Issue Shares made available for application under the Pink Form Allocations.

We will pay our Underwriter the underwriting commission at the rate of [●]% on the total value of the underwritten Shares at the IPO Price.

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

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**4.10 SALIENT TERMS OF THE UNDERWRITING AGREEMENT**

We [have entered into] the Underwriting Agreement with Malacca Securities to underwrite 19,570,000 Public Issue Shares made available for application by the Malaysian Public and 21,196,000 Public Issue Shares made available for application under the Pink Form Allocations as set out in Sections 4.3.1(i) and 4.3.1(ii) of this Prospectus (collectively, “**Underwritten Shares**”), subject to the clawback and re-allocation provisions as set out in Section 4.3.3 of this Prospectus and upon the terms and subject to the conditions as set out in the Underwriting Agreement.

The following salient terms of the Underwriting Agreement are reproduced from the Underwriting Agreement. The capitalised terms used herein shall have the respective meanings as ascribed thereto in the Underwriting Agreement: -

**Clause 8 - Force Majeure and Termination**

- 8.1 *No party shall be liable in any manner for failure to perform or delay in performing all or any part of this Agreement which is directly due to any cause or circumstances beyond the control of such party including without limitation, acts of God, fire, flood, storm, earthquake, typhoon, tidal wave, plague or other epidemics, governmental laws, orders, regulations, sanctions or restrictions, war, armed conflict or serious threat of the same, hostilities, mobilization, blockade, or severe economic dislocation or change in national or international monetary, financial, political or economic condition that will directly and materially affect the financial position of the Company or the listing and quotation of the Public Issue Shares and Offer Shares on the Bursa Securities.*
- 8.2 *Notwithstanding anything contained in sub-clause 8.1, a party shall be entitled to issue a notice to the other party terminating the Underwriting Agreement if, at any time -*
- (i) the other party commits any continuing and material breach of any of its obligations under the Underwriting Agreement which either –*
    - (a) is incapable of remedy; or*
    - (b) if capable of remedy, is not remedied within thirty (30) days of its being given notice so to do;*
  - (ii) a petition is presented or an order is made or a resolution is passed for the winding up of the other party;*
  - (iii) an administrator or receiver or manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of the other party and such administrator or receiver or receiver and manager is not discharged, or such distress, attachment or execution is not satisfied by that party within fourteen (14) days thereof;*
  - (iv) the other party becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors;*
  - (v) the other party ceases or threatens to cease to carry on the whole or any substantial part of its business (except for the purposes of a bona fide reconstruction or amalgamation which would not result or cause any failure or inability to duly perform or fulfill any obligation under the Underwriting Agreement);*
  - (vi) there is an occurrence of any event or discovery of any fact or circumstances rendering any of the Representations, Warranties and Undertakings contained in the Underwriting Agreement to be untrue, inaccurate, incorrect or misleading in any respect;*

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

- (vii) *Bursa Securities suspends or revokes any approval for the IPO or makes any ruling (or revokes any ruling previously made), the effect of which is to prevent the listing of and quotation for the enlarged issued shares capital of the Company on the ACE Market of Bursa Securities;*
- (viii) *any new law or regulation or change in law, regulation, directive, policy or ruling in any jurisdiction which in the opinion of the Underwriter may prejudice the success of the listing of and quotation for the enlarged issued shares capital of the Company on the ACE Market of Bursa Securities or which would have or is likely to have the effect of making it impracticable to enforce contracts to allot and/or transfer the Shares or making any obligation under the Underwriting Agreement incapable of performance in accordance with its terms;*
- (ix) *there shall have been any other material adverse change, or any development involving a prospective material adverse change, in national or international monetary, financial (including stock market, foreign exchange market, interbank market or interest rates or money market or currency exchange rates or foreign exchange controls), political, legal, regulatory, taxation, industrial or economic conditions which in the opinion of the Underwriter may have a material adverse effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
 
  - (a) *on or after the date of the Underwriting Agreement; and*
  - (b) *prior to the Listing date,*  
*lower than 90% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;**
- (x) *the Company withholds any material information from the Underwriter, which, in the opinion of the Underwriter, is likely to have a material adverse effect;*
- (xi) *the IPO is stopped or delayed by the Company or any authority for any reason whatsoever (unless such delay has been approved by the Underwriter);*
- (xii) *any material statements contained in this Prospectus and Application Forms has become or been discovered to be untrue, inaccurate or misleading in any respect or matters have arisen or have been discovered which would, if this Prospectus and Application Forms were to be issued at that time, constitute a material omission therefrom;*
- (xiii) *the listing of and quotation for the enlarged issued shares capital of the Company on the ACE Market of Bursa Securities does not take place by [●] or such other extended date as may be agreed by the Underwriter;*
- (xiv) *the Closing Date does not occur by [●] or such other extended date as may be agreed in writing by the Underwriter;*
- (xv) *any commencement of legal proceedings, formal investigations, enquiries or action against any member of the Group or any of Directors, which in the opinion of the Underwriter, would have a material adverse effect or make it impracticable to enforce contracts to allot and/or transfer the Shares or to market the IPO;*
- (xvi) *the IPO is cancelled by the Company; or*
- (xvii) *admission to trading of the Shares on Bursa Securities has not been completed by 9:00 am (Kuala Lumpur time) on [●] (or by such other date as may be agreed in writing between the Company and the Underwriter).*



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

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- 8.3 *Notwithstanding anything herein contained, the Underwriter, may at any time before the Closing Date terminate its obligations under the Underwriting Agreement if in its reasonable opinion there shall have been such a change in national or international monetary, financial, political or economic conditions or exchange control or currency exchange rates as would in its reasonable opinion prejudice materially the success of the IPO and their distribution or sale (whether in the primary market or in respect of dealings in the secondary market) and thereupon the Underwriter concerned and the Company shall (except for the liability of the Company in the payment of costs and expenses referred to in Clause 10 thereof incurred prior to or in connection with such termination) be released and discharged from their respective obligations hereunder.*

*[The rest of this page has been intentionally left blank]*