

4. DETAILS OF OUR LISTING

4.1 OPENING AND CLOSING OF APPLICATIONS

The Application for our IPO Shares will open at 10.00 a.m. on [●] and will remain open until 5.00 p.m. on [●]. **Late applications will not be accepted.**

4.2 INDICATIVE TIMETABLE

The following events are intended to take place on the following dates:

<u>Events</u>	<u>Tentative Dates</u>
Issuance of Prospectus / Opening of Application for our IPO Shares	[●]
Closing of Application for our IPO Shares	[●]
Balloting of Application for our IPO Shares	[●]
Allotment of our Issue Shares / transfer of Offer Shares to successful applicants	[●]
Listing on the ACE Market of Bursa Securities	[●]

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

4.3 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, and subject further to the underwriting and placement arrangement as set out in Section 4.3.4 of this Prospectus and clawback and also the reallocation provisions as set out in Section 4.3.5 of this Prospectus.

4.3.1 Public Issue

A total of 130,705,300 Issue Shares, representing approximately 15.10% of our enlarged Shares are offered at our IPO Price. Our Issue Shares will be allocated in the following manner:

(i) Malaysian Public via balloting

43,280,000 Issue Shares, representing approximately 5.00% of our enlarged Shares will be made available for application by the Malaysian Public through a balloting process as follows:

- (a) 21,640,000 Issue Shares made available to the Bumiputera Malaysian Public; and
- (b) 21,640,000 Issue Shares made available to the Malaysian Public.

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4. DETAILS OF OUR LISTING (Cont'd)**(ii) Eligible Persons**

12,984,000 Pink Form Shares, representing approximately 1.50% of our enlarged Shares will be made available for application by Eligible Persons in the following manner:

Eligible Persons	No. of Eligible Persons	Number of Pink Form Shares allocated
Eligible Directors ^(a)	4	1,000,000
Eligible employees of our Group ^(b)	[●]	11,984,000
Total	[●]	12,984,000

Notes:

- (a) The allocation to our eligible Directors are based on, among others, their respective roles and responsibilities and their contribution to our Company and they are collectively allocated 1,000,000 Pink Form Shares as follows:

Name	Designation	Number of Pink Form Shares allocated
Ahmad Tajudin bin Omar	Independent Non-Executive Chairman	250,000
Teo Yeling	Independent Non-Executive Director	250,000
Ilham Fadilah binti Sunhaji	Independent Non-Executive Director	250,000
Moo Eng Thing	Independent Non-Executive Director	250,000
Total		1,000,000

- (b) The allocation to the eligible employees of our Group who are confirmed full-time employees are based on, among others, their job grade, performance, length of service and their past contribution to our Group. Our Key Senior Management are collectively allocated a total of 2,720,000 Pink Form Shares as follows:

Name	Designation	Number of Pink Form Shares allocated
KWY	Vice President of Sales	1,120,000
Tan Chun Hau	General Manager of Technical Support	725,000
Lyn Meng Keong	General Manager	625,000
Khor Seng Chee	Financial Controller	250,000
Total		2,720,000

4. DETAILS OF OUR LISTING (Cont'd)

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

74,441,300 Issue Shares, representing approximately 8.60% of our enlarged Shares will be made available by way of private placement to identified Bumiputera investors approved by the MITI.

Our Public Issue is expected to raise gross proceeds of RM[●] million and will accrue entirely to our Company. The Public Issue will increase our issued Shares from 734,892,700 Shares to 865,598,000 Shares.

Save for the allocation made available for Application as disclosed in Section 4.3.1(ii) of this Prospectus, to the extent known to our Company, none of our substantial shareholders, Directors or Key Senior Management have indicated to us that they intend to subscribe for the IPO Shares and there are no persons who have indicated to us that they intend to subscribe for more than 5.00% of the Issue Shares allocated under Section 4.3.1(i) of this Prospectus for the Malaysian Public.

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4. DETAILS OF OUR LISTING (Cont'd)

4.3.2 Offer for Sale

The Selling Shareholders are offering 103,890,000 Offer Shares, representing 12.00% of our enlarged Shares by way of private placement to identified Bumiputera investors approved by MITI and Selected Investors at our IPO Price. The Offer Shares to be offered by the Selling Shareholders and their shareholdings in our Company before and after our IPO are as follows:

Name / Address	Material relationship with our Group	After the Acquisitions but before the Share Transfer and our IPO		Offer Shares offered		After the Share Transfer and our IPO	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%
LSW / 42-05, Pavilion Suites Kuala Lumpur No. 166, Jalan Bukit Bintang 55100 Kuala Lumpur Malaysia	Promoter, substantial shareholder, specified shareholder and Non-Independent Executive Director / Group Managing Director	248,219,420	33.78	34,630,000	4.71	(3)51,722,600	5.98
ACM / A-43A-01, Kondominium Pantai Estet No. 1, Jalan Pantai Prima Bangsar Selatan 59200 Bangsar Wilayah Persekutuan Kuala Lumpur Malaysia	Promoter, substantial shareholder, specified shareholder and Non-Independent Executive Director	240,639,740	32.74	34,630,000	4.71	(4)48,903,700	5.65
YKM / 9, Bayrocks Garden Waterfront Villas Jalan Persiaran Tasik Timur Sunway South Quay 47500 Subang Jaya Selangor, Malaysia	Promoter, substantial shareholder, specified shareholder and Non-Independent Executive Director	240,639,740	32.74	34,630,000	4.71	(4)48,903,700	5.65
Total		729,498,900	99.26	103,890,000	14.13	149,530,000	17.28

4. DETAILS OF OUR LISTING (Cont'd)

Notes:

- (1) Based on our issued Shares of 734,892,700 Shares after the Acquisitions and before our IPO.
- (2) Based on our enlarged issued Shares of 865,598,000 Shares after our IPO.
- (3) LSW will transfer 161,866,820 Shares to Climan under the Share Transfer.
- (4) ACM and YKM will transfer 157,106,040 Shares each to Climan under the Share Transfer.

Our Offer for Sale is expected to raise gross proceeds of RM[●] million and will accrue entirely to the Selling Shareholders. Our Selling Shareholders shall bear all expenses such as placement fee and miscellaneous fee relating to the Offer Shares. The Offer Shares are not underwritten by our Underwriter. Please refer to Section 5.1 and 5.2 of this Prospectus for further details of our Selling Shareholders.

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4. DETAILS OF OUR LISTING (Cont'd)

4.3.3 Share Transfer

Upon completion of our IPO, the Promoters, namely LSW, ACM and YKM will hold an aggregate of 625,608,900 Shares.

During the prescription period (one day after the launching date of the Prospectus up to a period of 30 days), the Promoters will transfer a total of 476,078,900 Shares to Climan (an investment holding company incorporated with the intention to hold their investment) at a consideration of RM[●].

Pursuant thereto, the Share Transfer will be completed upon the relevant Shares being credited into the CDS account of Climan prior to our Listing.

Further details of the Share Transfer are set out below:

Shareholders	No. of Shares					
	Before our IPO and Share Transfer	(1)%	To be transferred to Climan	(2)%	After the Share Transfer and our IPO	(2)%
LSW	248,219,420	33.78	(161,866,820)	18.70	⁽³⁾ 51,722,600	5.98
ACM	240,639,740	32.74	(157,106,040)	18.15	⁽³⁾ 48,903,700	5.65
YKM	240,639,740	32.74	(157,106,040)	18.15	⁽³⁾ 48,903,700	5.65
Climan	-	-	476,078,900	55.00	476,078,900	55.00
Total	729,498,900	99.26	-	-	625,608,900	72.28

Notes:

- (1) Based on our issued Shares of 734,892,700 Shares after the Acquisitions but before our IPO.
- (2) Based on our enlarged issued Shares of 865,598,000 Shares after our IPO.
- (3) LSW, ACM and YKM will offer 34,630,000 Offer Shares each under the Offer for Sale.

The purpose of the Share Transfer is to consolidate the shareholding interest of LSW, ACM and YKM in our Company under a single investment holding company, namely Climan.

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4. DETAILS OF OUR LISTING (Cont'd)**4.3.4 Summary of our IPO Shares to be allocated and underwritten**

A summary of our IPO Shares to be allocated is as follows:

	Public Issue		Offer for Sale		Total	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
Malaysian Public via balloting	43,280,000	5.00	-	-	43,280,000	5.00
Eligible Persons	12,984,000	1.50	-	-	12,984,000	1.50
Private placement to Selected Investors	-	-	70,131,300	8.10	70,131,300	8.10
Private placement to identified Bumiputera investors approved by MITI	74,441,300	8.60	33,758,700	3.90	108,200,000	12.50
Total	130,705,300	15.10	103,890,000	12.00	234,595,300	27.10

Note:

(1) Based on our enlarged issued Shares of 865,598,000 Shares after our IPO.

The 43,280,000 Issue Shares made available for Application by the Malaysian Public and the 12,984,000 Pink Form Shares made available to the Eligible Persons under Sections 4.3.1(i) and 4.3.1(ii) of the Prospectus, respectively are fully underwritten by our Underwriter. Please refer to Section 4.10 of this Prospectus for the salient terms of the Underwriting Agreement.

All the 70,131,300 Offer Shares made available for private placement to the Selected Investors under Sections 4.3.2 of this Prospectus and the 108,200,000 IPO Shares made available for private placement to the Bumiputera investors approved by the MITI under Section 4.3.1(iii) and 4.3.2 of this Prospectus will not be underwritten. Irrevocable undertakings will be obtained from these Selected Investors to subscribe for the IPO Shares available under the private placement.

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

4.3.5 Clawback and reallocation of Issue Shares

Our Shares shall be subjected to the following clawback and reallocation provisions:

- (i) Any unsubscribed Pink Form Shares (“**Excess Issue Shares**”) will be re-offered to the Eligible Persons (excluding eligible Directors) who have applied for excess on top of their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:
 - (a) firstly, allocation on a pro-rata basis to the eligible employees of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for; and
 - (b) secondly, to minimise odd lots.

Our Board reserves the right to allot Excess Issue Shares applied in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (i) to (ii) above is achieved. Our Board also reserves the right to accept or reject any Excess Issue Shares application, in full or in part, without assigning any reason.

Once completed, the steps involving items (a) to (b) above will not be repeated.

- (ii) Should there be any balance of Excess Issue Shares thereafter, such balance will be made available to the Malaysian Public and/or Selected Investors via private placement.
- (iii) Any unsubscribed Issue Shares by the Malaysian Public will be made available for Application by way of private placement to Selected Investors.
- (iv) Any unsubscribed Offer Shares by identified Bumiputera investors approved by the MITI (“**MITI Tranche**”) will firstly be offered to institutional investors. Subsequently, any MITI Tranche that is not taken up shall be made available for Application by the Bumiputera public investors as part of the balloting process. Thereafter, any MITI Tranche that is not taken up by Bumiputera public investors will be made available for application by the Malaysian Public as part of the balloting process and/or by the Eligible Persons and/or by way of private placement to Selected Investors. The MITI Tranche will not be underwritten by the Underwriter.
- (v) Any IPO Shares not taken up by the Selected Investors after being reallocated from the Malaysian Public and/or Eligible Persons shall be taken up by our Underwriter in accordance with the terms and conditions of the Underwriting Agreement.

The allocation of our IPO Shares shall be on a fair and equitable manner and shall take into account our Company’s decision on the appropriate number and mix of shareholders for our Company while meeting the public shareholding spread requirements of Bursa Securities and establishing a liquid market for our Shares.

There is no minimum subscription amount to be raised from the IPO. All the IPO Shares are either subscribed by the Malaysian Public, Eligible Persons and/or Selected Investors, pursuant to their irrevocable undertakings or fully underwritten by our Underwriter. The number of IPO Shares offered under the Public Issue will not be increased via any over-allotment or “greenshoe” option.

Salient terms of the Underwriting Agreement are set out in Section 4.10 of this Prospectus.

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

4.3.6 Minimum level of subscription

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

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 to the Official List. Prior to our admission to the Official List, we will ensure that the public shareholding spread requirement is met through a combination of the balloting process and the private placement exercise to ensure that a minimum number of 200 public shareholders holding not less than 100 Shares is in place and at least 25.00% of our enlarged issued share capital are held by public shareholders.

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

We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all Application. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

4.3.7 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.

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKING

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

Details	No. of Shares	RM
Total number of Shares as at the date of this Prospectus	734,892,700	36,744,685
Shares to be issued pursuant to the Public Issue	130,705,300	⁽¹⁾ [•]
Enlarged issued share capital upon Listing	865,598,000	[•]
IPO Price per Share		[•]
Market capitalisation upon Listing based on the IPO Price and enlarged number of issued Shares upon the Listing		[•]
Pro forma NA per Share as at 31 July 2023 after the adjustment for the dividend declaration in the FYE 2023 ⁽²⁾ , Acquisitions, Public Issue and the intended use of proceeds		[•]

4. DETAILS OF OUR LISTING (Cont'd)

Notes:

- (1) Calculated based on the IPO Price and before deducting the estimated listing expenses of approximately RM[●] million which are directly attributable to the Public Issue.
- (2) The following dividends were declared subsequent to 31 December 2022:
 - (a) On 20 February 2023, Crest Innovation declared a final dividend of RM26.4942 per ordinary share (equivalent to SGD8.00 per ordinary share) amounting to RM1,324,711 (equivalent to SGD400,000), which was paid on 24 March 2023.
 - (b) On 21 August 2023, Crest Thailand declared a dividend of RM1.8816 per ordinary share (equivalent to THB14.2602 per ordinary share) amounting to RM112,893 (equivalent to THB855,611), which was paid on 11 September 2023.
 - (c) On 7 December 2023, Crest Systems declared a special dividend of RM14.00 per ordinary share amounting to RM14,000,000, which was paid on 12 December 2023.

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

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

Our Offer Shares rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any 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 and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus (if any) in accordance with the Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At any general meeting of our Company, each shareholder who is entitled to vote, may vote (i) in person; (ii) by proxy; (iii) by attorney; or (iv) by duly authorised representative. A proxy may but need not be a shareholder of our Company and there shall be no restriction as to the qualification of the proxy.

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. On a poll, every shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held.

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

4.5 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES

Our Directors and Promoters, together with MIDF Investment, being our Principal Adviser, Sponsor, Underwriter and Placement Agent, had determined and agreed upon the IPO Price, after taking into consideration, amongst others, the following factors:

- (i) Our EPS of 2.43 sen (based on the existing number of issued Shares of 734,892,700 Shares) for the FYE 2022 based on our PAT of RM17.86 million and 2.06 sen (based on the enlarged number of issued Shares of 865,598,000 Shares upon Listing) which translates into PE Multiples of [●] times and [●] times respectively;
- (ii) our detailed financial performance and operating history as outlined in Sections 12 and 6.1 of this Prospectus respectively;
- (iii) our competitive strengths as set out in Section 7.6 of this Prospectus:
 - (a) our industry knowledge as well as technical expertise enable us to design suitable solutions for our customers;
 - (b) business presence in 4 countries and a diversified customer base spanning across multiple industries and countries;
 - (c) long-standing relationships with our wide network of equipment suppliers; and
 - (d) an experienced Key Senior Management team, led by our Executive Directors with educational foundation in science.
- (iv) our business strategies and future plans as set out in Section 7.20 of this Prospectus:
 - (a) Setting up a new headquarters in Selangor to consolidate our operations in the central region of Malaysia;
 - (b) Expansion of our business presence to Vietnam and to continue expansion of business presence in Malaysia, Thailand and PRC; and
 - (c) Purchase additional demonstration equipment in Malaysia, Thailand and PRC offices which will be used for demonstration;
 - (d) Expansion of our technical support and maintenance team;
- (vi) the overview and outlook of the industry in which our Group operates as described in the IMR Report set out in Section 8 of this Prospectus; and
- (vii) our prevailing market conditions including among others, market performance of key global indices, domestic and foreign exchanges, and investors' sentiments.

You should also note that the market price of our Shares upon and subsequent to our Listing is subject to market forces and other uncertainties, which may affect the trading price of our Shares. You are reminded to consider the risk factors which are set out in Section 9 of this Prospectus before deciding to invest in our Shares.

4. DETAILS OF OUR LISTING (Cont'd)

4.6 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:

- (i) to enhance our corporate profile and stature to enable our Group to gain recognition through our listing status and further enhance our corporate profile, reputation and market credibility which is aimed at expanding our customer base; as well as assist us to attract and retain talents;
- (ii) to establish liquidity for our Shares by the listing of and quotation for our entire ordinary shares on the ACE Market of Bursa Securities;
- (iii) to enable our Group to access the equity capital market and to provide us the financial flexibility to pursue growth opportunities;
- (iv) to enable our Group to raise funds for the purposes as set out in Section 4.8 of this Prospectus; and
- (v) to provide an opportunity for the Malaysian Public and Eligible Persons to participate in our equity.

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4. DETAILS OF OUR LISTING (Cont'd)

4.7 DILUTION

4.7.1 NA per Share

Dilution is computed as the difference between our IPO Price paid by you for our IPO Shares and the pro forma NA per Share of our Group immediately after our IPO. The following table illustrates the effect of our Group's pro forma NA for each Share to our shareholders:

Details		RM
IPO Price	(A)	[•]
Pro forma combined NA per Share as at 31 July 2023 after the adjustment for the dividend declaration in FYE 2023 and Acquisitions but before the Public Issue (based on the issued share capital of 734,892,700 Shares)	(B)	0.06
Pro forma combined NA per Share after the adjustment for the dividend declaration for FYE 2023, Acquisitions, Public Issue and the intended utilisation of proceeds (based on the enlarged issued share capital of 865,598,000 Shares)	(C)	[•]
Increase in the pro forma combined NA per Share attributable to existing shareholders (after the Public Issue and the intended use of proceeds)	(C) – (B)	[•]
Dilution in the pro forma combined NA per Share to new investors	(A) – (C)	[•]
Dilution in the pro forma combined NA per Share to new investors as a percentage of the IPO Price	[(A) – (C)]/(A)	[•]%

4.7.2 Effective cost per Share

Save as disclosed below, there has been no acquisition of any of our Shares by our Promoters, substantial shareholders, Directors and/or Key Senior Management or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares since our incorporation:

Name	No. of Shares held after the Share Transfer but before our IPO	Total consideration (RM'000)	Average cost per Share (RM)
<u>Promoters, substantial shareholders, Directors and Key Senior Management</u>			
LSW	86,352,600	4,318	0.05
ACM	83,533,700	4,177	0.05
YKM	83,533,700	4,177	0.05
<u>Key Senior Management</u>			
KWY	5,393,800	270	0.05
<u>Substantial shareholder</u>			
Climan	476,078,900	[•]	[•]

4. DETAILS OF OUR LISTING (Cont'd)

4.8 UTILISATION OF PROCEEDS

The total gross proceeds of approximately RM[●] million from the Public Issue are expected to be utilised by our Group in the following manner:

Details of utilisation	Gross proceeds		Estimated timeframe for utilisation upon Listing
	RM'000	(%)	
Setup of a new centralised headquarters	[●]	[●]	Within 36 months
Business expansion	[●]	[●]	Within 36 months
Purchase of additional demonstration equipment	[●]	[●]	Within 36 months
Expansion of technical support and maintenance team	[●]	[●]	Within 36 months
Estimated listing expenses	[●]	[●]	Within 3 months
Total	[●]	[●]	

Further details of the utilisation are set out below.

4.8.1 Setup of new centralised headquarters

Our offices in Selangor are currently situated at 3 rented premises i.e. two in Puchong, Selangor and one in Subang Jaya, Selangor. We intend to centralise all our offices in Selangor in a new headquarters (“**New HQ**”) located in Selangor. We intend to allocate RM[●] million or [●]% of our IPO proceeds to partially fund the acquisition of a property to establish the New HQ in Selangor and we expect the plan to be implemented within 36 months from the date of Listing. The setting up of our New HQ is to streamline and centralise our operations in the central region of Malaysia.

In addition, having a centralised location will also allow our management team to better manage our operations and resources. We also plan to allocate approximately 186 sq. m. of our New HQ as our demonstration room for effectively marketing and better serve our clients. The demonstration room will house our existing and new equipment for demonstration purposes and will also function as a training room for us to conduct internal trainings with our employees.

As at the LPD, we are in the midst of identifying a suitable premise for our New HQ within the Klang Valley. Hence, details on the exact location, price and size of the property are not available at this juncture.

In identifying the suitable property, we will be guided by the following criteria:

- (a) Location - Selangor
- (b) Type of building – commercial / light industrial
- (c) Size - a built-up area of approximately 1,858 sq. m.

In the event of any shortfall in the allocated proceeds for the purchase of the property, we will fund the shortfall via our internally generated funds and/or bank borrowings.

Pending the receipt of our IPO proceeds, we may proceed with our plans as set out above by utilising our internally generated funds and/or bank borrowings. Therefore, when the IPO proceeds from the Public Issue that we have allocated for the purchase of our New HQ are received, we will use the proceeds allocated to replenish our internally generated funds and/or repay our bank borrowings.

Please refer to Section 7.20.1 of this Prospectus for further details on the New Proposed HQ.

4. DETAILS OF OUR LISTING (Cont'd)

4.8.2 Business expansion

As part of our continuous efforts to grow our business, we intend to utilise approximately RM[●] million representing [●]% of the IPO proceeds to expand our business and presence in these countries within 36 months from the date of our Listing.

We plan to set up an office in Ho Chi Minh City, Vietnam to establish our Group's presence in Vietnam, and one branch office each in Chengdu and Shenzhen for our expansion within the PRC. Additionally, we also plan to form an additional team for our existing branch office in Bangkok, Thailand to secure new customers involved in the life science and healthcare industries (industries which we do not serve in Thailand as at the LPD) and offer our services to these customers.

The details of the utilisation of proceeds are as follows:

New office	Total estimated cost (RM'000)				
	Office rental ⁽¹⁾	Renovation and purchase of office equipment	Staff costs	Other miscellaneous costs ⁽⁵⁾	Total
Ho Chi Minh City, Vietnam	[●]	[●]	[●]	[●]	[●]
Chengdu, PRC	[●]	[●]	[●]	[●]	[●]
Shenzhen, PRC	[●]	[●]	[●]	[●]	[●]
Bangkok, Thailand	-	-	[●]	-	[●]
Total	[●]	[●]	[●]	[●]	[●]

Notes:

- (1) Estimated 3-year rental for office spaces with approximate built-up areas of 139 sq. m. each in the respective locations. Subsequent to the initial 3-year rental expense, the rental expense shall be funded through internally generated funds.
- (2) 3 years staff cost for 4 new personnel to be hired for the new office in Ho Chi Minh City and 1 employee to be transferred from Malaysia to establish and manage the business operations in Ho Chi Minh City.
- (3) 3 years staff cost for 6 new personnel to be hired for each of the new offices in Chengdu and Shenzhen .
- (4) 3 years staff cost for 7 new personnel to be hired to form an additional team to be stationed at our existing branch office in Bangkok.
- (5) Include office set-up cost and purchase of spare parts, consumables and tooling.

With our intended expansion into Vietnam and within the PRC and Thailand, we will be well-positioned to expand our geographical footprint and strengthen our market position. Please refer to Section 7.20.3 of this Prospectus for further details on our business expansion.

As at the LPD, we are in the midst of identifying suitable office spaces for the new offices in Ho Chi Minh City, Chengdu and Shenzhen.

We intend to commence hiring new personnel for our new offices and our existing branch office in Bangkok gradually. Pending the receipt of proceeds raised from our Public Issue, we may proceed with our plans as set out above by utilising internally generated fund. Therefore, when the IPO proceeds that we have allocated for the abovementioned plan are received, we will use the proceeds allocated to replenish our internally generated funds.

4. DETAILS OF OUR LISTING (Cont'd)

In the event of a deficit in the allocated amount for our business expansion, our Group has sufficient internally generated funds to fund such variances. As such, our Group does not foresee any impact on our business expansion plans.

4.8.3 Purchase of additional demonstration equipment

We intend to allocate RM[●] million or [●]% of the IPO proceeds to purchase additional demonstration equipment consisting of 3 advanced imaging equipment and 3 sample management equipment for our demonstration rooms in our offices in Malaysia, the PRC and Thailand as follows:

<u>Equipment</u>	<u>Estimated cost (RM'000)</u>
Advanced imaging equipment ⁽¹⁾	[●]
Sample management equipment ⁽²⁾	[●]
Total	[●]

Notes:

- (1) Consists of 3 units of X-Ray imaging equipment.
- (2) Consists of 1 unit of automated stainer, 1 unit of automated cover slipper and 1 unit of histological processing system.

As part of our sales and marketing activities detailed in Section 7.11(iii) of this Prospectus, we conduct equipment demonstration to provide our customers with better insights and understanding on the features and capabilities of our solutions.

We intend to purchase the latest models and/or equipment that we may not already own for demonstration purposes. Our demonstration equipment are usually replaced as and when it becomes outdated or obsolete, or sold to our customers if requested.

We expect the above plan to be implemented within 36 months from the date of Listing.

Pending the receipt of proceeds raised from our Public Issue, we may proceed with our plans as set out above by utilising internally generated fund. Therefore, when the IPO proceeds that we have allocated for the abovementioned plan are received, we will use the proceeds allocated to replenish our internally generated funds.

In the event of a deficit in the allocated amount for the above, our Group has sufficient internally generated funds to fund such variances. As such, our Group does not foresee any impact on our plans.

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4. DETAILS OF OUR LISTING (Cont'd)

4.8.4 Expansion of technical support and maintenance team

We intend to allocate RM[●] million or [●]% of the IPO proceeds for the expansion of our after-sales services business segment, in particular the technical support and maintenance services we provide to our customers, by hiring additional headcount to handle our technical support and maintenance services.

By expanding our technical support and maintenance services, we will be able to generate additional recurring income, hence improve our financial performance.

For the above purpose, we intend to hire 2 new service managers, whereby 1 personnel each will be based in Selangor and Penang. We also plan to hire 8 new service personnel, whereby 5 personnel will be based in Selangor, and the remaining 3 personnel will be based in the PRC, Thailand and Singapore respectively. Details of the allocation are as follows:

Position	← No. of personnel →					⁽³⁾ Staff cost (RM'000)
	Malaysia	PRC	Thailand	Singapore	Total	
Service manager (Managing technical support and maintenance operations)	⁽¹⁾ 2	-	-	-	2	[●]
Service personnel (Performing installation and commissioning works and technical support and maintenance works)	⁽²⁾ 5	1	1	1	8	[●]
Total	7	1	1	1	10	[●]

Notes:

- (1) 1 personnel each to be based in Selangor and Penang.
- (2) All personnel to be based in Selangor.
- (3) Estimated staff cost for 3 years. Subsequent to the initial 3-year staff costs, the staff costs shall be funded through internally generated funds.

We expect the above plan to be implemented within 36 months from the date of Listing.

Pending the receipt of proceeds raised from our IPO, we may proceed with our plans as set out above by utilising our internally generated funds. Therefore, when the proceeds from our Public Issue that we have allocated for the abovementioned plan are received, we will use the proceeds allocated to replenish our internally generated funds.

In the event of a deficit in the allocated amount for our expansion of technical support and maintenance team, our Group has sufficient internally generated funds to fund such variances. As such, our Group does not foresee any impact on our plan to expand our technical support and maintenance team.

4. DETAILS OF OUR LISTING (Cont'd)

4.8.5 Estimated listing expenses

Our listing expenses are estimated to be approximately RM[●] million or [●]% of our IPO proceeds, details of which are as follows:

Expenses	Estimated cost RM'000
Professional fees	[●]
Brokerage, underwriting and placement fees	[●]
Fees payable to authorities	[●]
Fees and expenses for printing, advertising and roadshow	[●]
Miscellaneous expenses and contingencies	[●]
Total	[●]

Pending the receipt of the IPO proceeds, we may utilise our internally generated funds for the listing expenses. When the IPO proceeds which have been allocated for the listing expenses are received, we will use the proceeds allocated to replenish our internally generated funds.

We expect to utilise the proceeds allocated for listing expenses within 3 months from our Listing.

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

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 Selling Shareholders. The Selling Shareholders 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 July 2023 set out in Section 13 of this Prospectus.

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

4.9 UNDERWRITING COMMISSION, BROKERAGE AND PLACEMENT FEES

4.9.1 Underwriting commission

On [●], we have entered into the Underwriting Agreement with MIDF Investment, being our Underwriter to underwrite 56,264,000 Issue Shares which are available for application by the Malaysian Public and our Eligible Persons.

We will pay our Underwriter an underwriting commission at the rate of 2.50% of the total value of the Shares underwritten at the IPO Price.

4.9.2 Brokerage fee

We will pay the brokerage fees in respect of our Issue Shares, at the rate of 1.00% of the IPO Price in respect of 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.

4.9.3 Placement fee

Our Placement Agent has agreed to place out a total of 70,131,300 Offer Shares available by way of private placement to Selected Investors as set out in Section 4.3.2 of this Prospectus at a placement fee at the rate of 2.50% of the total value of the Offer Shares placed out by the Placement Agent at the IPO Price. The placement fee to be incurred on the sale of the Offer Shares will be fully borne by our Selling Shareholders.

4.10 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

Our Company had on [●], entered into an underwriting agreement with the Underwriter ("**Underwriting Agreement**") whereby the Underwriter agreed to underwrite the underwritten shares upon the terms and subject to the conditions therein contained. The capitalised terms used in this section shall have the respective meanings as ascribed thereto in the Underwriting Agreement.

The salient terms of the Underwriting Agreement are as set out below:

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

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