

4. DETAILS OF OUR IPO

4.1 PARTICULARS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated or transferred in the manner described below, subject to the clawback and reallocation provisions as set out in Section 4.1.5 of this Prospectus.

Our IPO consists of the Public Issue and the Offer for Sale, totalling up to 229,000,000 IPO Shares, representing approximately 26.62% of our enlarged total number of 860,000,000 Shares after our IPO.

4.1.1 Acquisitions

(i) Acquisition of SSB

On 18 March 2024, our Company had entered into a conditional share sale agreement with Loo Chai Lai and Loo Jing Kai for the acquisition of the entire issued share capital of SSB comprising 250,000 ordinary shares in SSB for a purchase consideration of RM35,119,020. The purchase consideration was fully satisfied via the issuance and allotment of 585,317,000 new Shares at an issue price of RM0.06 per Share to the vendors in the following manner:-

Vendors	No. of ordinary shares acquired	%	No. of Shares issued	%
Loo Chai Lai	225,000	90.00	526,785,300	90.00
Loo Jing Kai	25,000	10.00	58,531,700	10.00
Total	250,000	100.00	585,317,000	100.00

The purchase consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the adjusted audited NA of SSB of RM35,119,024, calculated based on the audited NA of SSB as at 30 June 2023 of RM43,119,024 and after accounting for the pre-IPO dividend of approximately RM8.00 million by SSB for the FYE 2024. The acquisition of SSB was completed on [●].

(ii) Acquisition of BBSB

On 18 March 2024, our Company had entered into a conditional share sale agreement with Loo Chai Lai, Loo Jing Kai and Lee Chee Keong for the acquisition of the entire issued share capital of BBSB comprising 30,000 ordinary shares in BBSB for a purchase consideration of RM5,633,370. The purchase consideration was fully satisfied via the issuance and allotment of 93,889,500 new Shares at an issue price of RM0.06 per Share to the vendors in the following manner:-

Vendors	No. of ordinary shares acquired	%	No. of Shares issued	%
Loo Chai Lai	24,500	81.67	76,676,425	81.67
Loo Jing Kai	3,000	10.00	9,388,950	10.00
Lee Chee Keong	2,500	8.33	7,824,125	8.33
Total	30,000	100.00	93,889,500	100.00

The purchase consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the audited NA of BBSB as at 30 June 2023 of RM5,633,370. The acquisition of BBSB was completed on [●].

4. DETAILS OF OUR IPO (Cont'd)

(iii) Acquisition of NSSB

On 18 March 2024, our Company had entered into a conditional share sale agreement with Loo Chai Lai and Loo Jing Kai for the acquisition of the entire issued share capital of NSSB comprising 100,000 ordinary shares in NSSB for a purchase consideration of RM1,168,026. The purchase consideration was fully satisfied via the issuance and allotment of 19,467,100 new Shares at an issue price of RM0.06 per Share to the vendors in the following manner:-

Vendors	No. of ordinary shares acquired	%	No. of Shares issued	%
Loo Chai Lai	90,000	90.00	17,520,390	90.00
Loo Jing Kai	10,000	10.00	1,946,710	10.00
Total	100,000	100.00	19,467,100	100.00

The purchase consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the audited NA of NSSB as at 30 June 2023 of RM1,168,067. The acquisition of NSSB was completed on [●].

(iv) Acquisition of IBSB

On 18 March 2024, our Company had entered into a conditional share sale agreement with Loo Chai Lai, Loo Jing Kai and Lee Chee Keong for the acquisition of the entire issued share capital of IBSB comprising 1,000 ordinary shares in IBSB for a purchase consideration of RM379,524. The purchase consideration was fully satisfied via the issuance and allotment of 6,325,400 new Shares at an issue price of RM0.06 per Share in the following manner:-

Vendors	No. of ordinary shares acquired	%	No. of Shares issued	%
Loo Chai Lai	680	68.00	4,301,272	68.00
Loo Jing Kai	150	15.00	948,810	15.00
Lee Chee Keong	170	17.00	1,075,318	17.00
Total	1,000	100.00	6,325,400	100.00

The purchase consideration was arrived at on willing buyer-willing seller basis after taking into consideration the audited NA of IBSB as at 30 June 2023 of RM379,524. The acquisition of IBSB was completed on [●].

Upon completion of the Acquisitions, the issued share capital of our Company increased from RM1,000 comprising 1,000 Shares to RM42,300,940 comprising 705,000,000 Shares. Our Group structure after the Acquisitions is set out in Section 6.1.3 of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)

4.1.2 Public Issue

The Public Issue involves the offering of 155,000,000 new Shares, representing approximately 18.02% of our enlarged issued share capital upon Listing, at the IPO Price and will be allocated in the following manner:-

(i) Malaysian Public via balloting

43,000,000 Issue Shares, representing 5.00% of our enlarged issued share capital, will be made available for application by the Malaysian Public via balloting, of which 50.00% will be set aside for application by Bumiputera investors.

(ii) Eligible Persons

16,000,000 Issue Shares, representing 1.86% of our enlarged issued share capital, will be reserved for application by the Eligible Persons in the follow manner:-

Eligible Persons	No. of persons	Aggregate number of Issue Shares allocated
Our Directors ⁽¹⁾	4	1,000,000
Eligible employees of our Group ⁽²⁾	Up to 164	12,000,000
Persons who have contributed to the success of our Group ⁽³⁾	Up to 30	3,000,000
Total	Up to 195	16,000,000

Notes:-

- (1) The criteria of allocation to our eligible Directors is 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) is based on, among others, the following factors:-
 - (i) The employee must be a full-time confirmed 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, length of service, performance and their past contribution to our Group as well as other factors deemed relevant by our Board.
- (3) The number of Issue Shares to be allocated to the persons who have contributed to the success of our Group comprising our business contacts, suppliers and customers, shall be based on, among others, their length of business relationship with our Group and their contribution to our Group and as approved by our Board.

The number of Issue Shares to be allocated to our Directors is set out below:-

Name	Designation	Number of Shares
Haji Ahmad Zakie Bin Haji Ahmad Shariff	Independent Non-Executive Chairman	250,000
Christine Toh Hung Mei	Independent Non-Executive Director	250,000
Yeap Soo Ching	Independent Non-Executive Director	250,000
Teh Lay Sim	Independent Non-Executive Director	250,000
Total		1,000,000

4. DETAILS OF OUR IPO (Cont'd)

The number of Issue Shares to be allocated to our key senior management is set out below:-

Name	Designation	Number of Shares
Tan Gine Ngee	Chief Financial Officer	2,381,000
Loo Ai Cheng	Senior Manager - Warehouse & Customer Service	2,383,000
Ng Lai Heong	Regional Sales Manager	307,000
Lam Li Hua	Marketing Manager	307,000
Total		5,378,000

To the best of our knowledge and belief:-

- (a) save for the Pink Form Allocation for application by Eligible Persons, none of our substantial shareholders, Directors or key senior management have indicated to our Company that they intend to subscribe for our IPO Shares; and
- (b) there are no persons who have indicated to us that they intend to subscribe for more than 5.00% of our IPO Shares.

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

96,000,000 Issue Shares, representing 11.16% of our enlarged issued share capital, will be made available for application via private placement to Bumiputera investors approved by the MITI.

4.1.3 Offer for Sale

The Selling Shareholder will offer up to 74,000,000 existing Shares for sale, representing up to approximately 8.60% of our enlarged issued share capital, at the IPO Price via placement in the following manner:-

- (i) 62,500,000 Offer Shares, representing approximately 7.27% of our enlarged issued share capital, will be made available for application via private placement to selected investors; and
- (ii) 11,500,000 Offer Shares, representing 1.33% of our enlarged issued share capital, will be made available for application via private placement to Bumiputera investors approved by the MITI.

The details of our Selling Shareholder are set out below:-

Name	Nature of relationship with our Group	Shareholdings after the Acquisitions		Shares offered pursuant to the Offer for Sale			Shareholdings after the Offer for Sale⁽³⁾	
		No. of Shares	(1) %	No. of Shares	(1) %	(2) %	No. of Shares	(2) %
Loo Chai Lai	Promoter and substantial shareholder	625,284,187	88.70	74,000,000	10.50	8.60	551,284,187	64.10

Notes:-

- (1) Based on our issued share capital of 705,000,000 Shares after the Acquisitions but before our IPO.
- (2) Based on our enlarged issued share capital of 860,000,000 Shares after the Public Issue and Offer for Sale.
- (3) Shareholdings before the Share Transfer.

4. DETAILS OF OUR IPO (Cont'd)

4.1.4 Share Transfer

LCL Success is an investment holding company held by Loo Chai Lai and Loo Jing Kai with equity interest of 90.00% and 10.00% respectively. Further details of LCL Success are set out in Section 5.10 of this Prospectus.

During the prescribed period (one day after the launching date of the Prospectus up to a period of 30 days), Loo Chai Lai and Loo Jing Kai will transfer their respective shareholdings amounting to 516,000,000 Shares to LCL Success in conjunction with the IPO.

Upon Listing, LCL Success will hold 60.00% of our enlarged issued share capital. Further details of the Share Transfer are set out below:-

Shareholders	No. of Shares in Sorento before Share Transfer	⁽¹⁾ %	No. of Shares to be transferred	⁽¹⁾ %	No. of Shares in Sorento after Share Transfer	⁽¹⁾ %
Loo Chai Lai	551,284,187	64.10	464,400,000	54.00	86,884,187	10.10
Loo Jing Kai	70,816,370	8.23	51,600,000	6.00	19,216,370	2.24
Total	622,100,557	72.33	516,000,000	60.00	106,100,557	12.33

Note:-

(1) Based on our enlarged share capital of 860,000,000 Shares after our Listing.

4.1.5 Clawback and reallocation

The allocation of our IPO Shares shall be subject to the following clawback and reallocation provisions:-

(i) Issue Shares to selected Bumiputera investors approved by the MITI

If our IPO Shares allocated to identified Bumiputera investors approved by the MITI ("**MITI Tranche**") are under-subscribed, such IPO Shares which are not taken up will be made available for subscription by institutional investors.

After such reallocation, if the MITI Tranche is still under-subscribed and there is a corresponding over-subscription for our IPO Shares by Bumiputera investors under the Public Issue, our IPO Shares will be clawed back from the MITI Tranche and allocated to the Bumiputera investors under the Public Issue;

After item (i) above, the remaining portion will be made available for:-

- (a) Malaysian Public, if there is an over-subscription for our IPO Shares by the Malaysian Public under the Public Issue; or
- (b) application by way of private placement to selected investors to be identified.

(ii) Issue Shares for the Malaysian Public via balloting

Any Issue Shares not subscribed by the Malaysian Public will be made available for application to the following:-

- (a) firstly, by the Eligible Persons (excluding the eligible Directors) under the Pink Form Allocation as described in Section 4.1.5 (iii) of this Prospectus;
- (b) secondly, by way of private placement to selected investors; and
- (c) lastly, subscription by our Underwriter based on the terms of the Underwriting Agreement.

4. DETAILS OF OUR IPO (Cont'd)

(iii) Pink Form Shares for our Eligible Persons

Any IPO Shares not taken up by the respective Eligible Persons based on their predetermined allocations shall be allocated in the following priority:-

- (a) firstly, to other Eligible Persons (excluding the eligible Directors);
- (b) secondly, to the Malaysian Public under the Public Issue;
- (c) thirdly, by way of private placement to selected investors; and
- (d) lastly, underwritten by our Underwriter based on the terms of the Underwriting Agreement.

The allocation of our IPO 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.

4.1.6 Minimum subscription level

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

Under the Listing Requirements, we are required to have a minimum of 25.00% of our Shares held by at least 200 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If the above requirement is not met, we may not be able to proceed with our Listing. Please refer to Section 9.3.3 of this Prospectus for further details in the event there is a delay in or cancellation of our Listing.

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4. DETAILS OF OUR IPO (Cont'd)

4.1.7 Share Capital

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

	No. of Shares	RM
Issued share capital after the Acquisitions	705,000,000	42,300,940
New Shares to be issued pursuant to the Public Issue	155,000,000	[●]
Enlarged issued share capital upon Listing	860,000,000	[●]

4.1.8 Classes of shares and ranking

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 issuance and allotment, 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 attaching 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.

At any general meeting of our Company, each shareholder shall be entitled to vote in person, by proxy or by attorney. On a show of hands, each present shareholder either in person, by proxy, by attorney or other duly authorised representative shall have one vote. On a poll, each present shareholder either in person, by proxy, by attorney or other duly authorised representative shall have one vote for each Share held. A proxy may but need not be a shareholder of our Company.

4.2 BASIS OF ARRIVING AT THE IPO PRICE

Our Directors and AIS who act as our Principal Adviser, Sponsor, Underwriter and Placement Agent, had determined and agreed upon the IPO Price after taking into consideration the following factors:-

- (i) our Group's strong financial performance, demonstrated by the growth of our revenue at a compound annual growth rate ("**CAGR**") of 30.34% from RM66.11 million for the FYE 2021 to RM112.31 million for the FYE 2023. Our PAT has also increased at a CAGR of 79.04% from RM7.78 million to RM24.93 million over the same period. Our financial performance is set out in Sections 12 and 13 of this Prospectus;
- (ii) Our EPS of approximately RM[●], computed based on our PAT of RM24.93 million for the FYE 2023 and our enlarged number of issued Shares of 860,000,000 Shares upon Listing translating to a PE Multiple of [●] times based on our IPO Price;
- (iii) our competitive strengths as set out in Section 7.5 of this Prospectus; and
- (iv) our future plan and strategies as set out in Section 7.6 of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)

You should note that the market price of our Shares upon 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 9 of this Prospectus before deciding to invest in our Shares.

4.3 DILUTION

Dilution is the amount by which the IPO Price to be paid by investors for our IPO Shares exceeds our pro forma combined NA per Share after our IPO.

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

	<u>RM</u>
IPO Price	[●]
Pro forma combined NA per Share as at 30 June 2023 before our Public Issue	0.07
Pro forma combined NA per Share as at 30 June after our Public Issue	[●]
Increase in combined NA per Share attributable to our existing shareholders	[●]
Dilution in pro forma combined NA per Share to new investors	[●]
Dilution in pro forma combined NA per Share to new investors as a percentage of the IPO Price	[●]%

Save as disclosed below, there has been no substantial disparity between our IPO Price and the effective cash cost to our Promoters, Directors, substantial shareholders, key senior management and/ or persons connected to them for any of our Shares acquired by them in any transaction from the date of incorporation up to the LPD:-

<u>Name</u>	<u>No. of Shares held before our IPO</u>	<u>Total consideration</u>	<u>Effective cost per Share</u>
		<u>RM</u>	<u>RM</u>
Promoters, Directors and substantial shareholders			
Loo Chai Lai	⁽¹⁾ 625,284,187	37,517,803	0.06
Loo Jing Kai	⁽¹⁾ 70,816,370	4,249,171	0.06
Director			
Lee Chee Keong	⁽²⁾ 8,899,443	533,966	0.06

Notes:-

- (1) Being Shares issued pursuant to the Acquisitions and 1,000 subscriber shares issued upon incorporation of our Company.
- (2) Being Shares issued pursuant to the Acquisitions.

As the date of this Prospectus, save for the Pink Form Allocation, there is no outstanding right granted to anyone to acquire our Shares. The Pink Form Allocation is based on our IPO Price.

4. DETAILS OF OUR IPO (Cont'd)

4.4 USE OF PROCEEDS

We expect to use the gross proceeds from our Public Issue amounting to RM[•] million in the following manner:-

Details	RM'000	%	Estimated timeframe for use of proceeds from the date of Listing
Branding and promotional marketing	[•]	[•]	Within 36 months
Expansion of dealer network and enhancement of distribution reach	[•]	[•]	Within 36 months
Repayment of bank borrowings	[•]	[•]	Within 12 months
Working capital for purchase of inventories	[•]	[•]	Within 24 months
Estimated listing expenses	[•]	[•]	Within one month
Total	[•]	[•]	

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 institution.

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 up to RM[•] million will accrue entirely to the Selling Shareholder. The Selling Shareholder will bear his own placement fees in respect of the Offer Shares which is estimated to be approximately RM[•] million.

Further details on the use of the gross proceeds from our Public Issue are set out below.

4.4.1 Branding and promotional marketing

We intend to use RM[•] million or [•]% of the gross proceeds from the Public Issue to fund our branding and promotional marketing initiatives.

The estimated breakdown of the allocation of the proceeds for our branding and promotional marketing initiatives are set out below:-

No.	Details	RM'000
1.	Promotional activities and events including product demonstration and launch events, brand awareness campaigns	[•]
2.	Content marketing including advertising via websites, social media marketing, making of videos, search engine marketing, print advertisements, billboard advertising, printing of flyers, brochures and catalogues	[•]
3.	Participation in industry events and tradeshows which provide an avenue for the Group to connect with prospective suppliers and customers as well as keep abreast of the latest market trends	[•]
	Total	[•]

Depending on our business strategy, financial condition and other market conditions, we may revise and reschedule the planned branding and promotional marketing activities set out above and adjust the budget and allocation of funds for a particular planned expenditure.

4. DETAILS OF OUR IPO (Cont'd)

If at any point in time after our Listing, the actual use of proceeds towards any planned expenditure item above is lower than the amount estimated, the excess may (subject to the same first being available for use to other branding and promotional marketing activities) be used for purchasing inventories of our Group.

However, in the event the allocated proceeds are insufficient for our branding and promotional marketing activities, our Group will fund any shortfall via internally generated funds and/ or bank borrowings.

4.4.2 Expansion of dealer network and enhancement of distribution reach

We have allocated RM[●] million or [●]% of the gross proceeds from the Public Issue for the enhancement of our distribution network.

As part of our future plans and strategies, we intend to enhance our distribution network, comprising existing and new dealers. As at the LPD, we have a network of 592 dealers. We target to recruit approximately 200 new dealers throughout Malaysia over the next three years. In order to facilitate this plan and enhance our support for our existing dealers, we intend to provide subsidies to existing and new dealers for the following:

- (i) provide subsidy to existing and new dealers to enhance and upgrade selected dealers' retail stores;
- (ii) provide subsidy to existing and new dealers that will sell our house brands exclusively at their stores; and
- (iii) provide subsidy to existing and new dealers to operate Sorento concept stores which will showcase our 'Sorento' products exclusively, focusing on higher-end product range.

Our total estimated budget for the enhancement of our distribution network, comprising existing and new dealers, is approximately RM20.00 million, which will be funded via a combination of the proceeds raised and internally-generated funds. We plan to utilise RM[●] million from our IPO proceeds within 36 months from the date of our Listing to partially fund this enhancement plan. The breakdown of the subsidies to be given to our existing and new dealers based on the future plans:

Types of outlets	Subsidy per store (RM)
To upgrade the product displays or storefront signage, renovation cost and design ideas to set up or upgrade the display areas for our products at existing and new dealers stores	10,000 – 80,000
Subsidy for renovation and fit-out cost for existing and new dealers who sell our house brands exclusively at their stores	80,000 – 150,000
Subsidy for renovation and fit-out cost and/ or supply of display units for existing and new dealers to facilitate the setting up of the concept stores	300,000 – 500,000

We are unable to determine the number of dealers which we will subsidise, as the exact cost of renovation and fit-out for each store cannot be ascertained as at the LPD. This cost can only be determined as and when the existing and new dealers are selected for renovation and fit-out of their stores based on the size of the stores and forecast sales return.

4. DETAILS OF OUR IPO (Cont'd)

4.4.3 Repayment of bank borrowings

As at the LPD, our Group's outstanding borrowings amounted to approximately RM18.59 million.

We intend to use RM[●] million or [●]% of the gross proceeds from the Public Issue to partially repay our borrowings below:-

Types of facility	Purpose	Interest rate %	Maturity date	Balance as at the LPD RM'000	Proposed repayment RM'000
Fixed loan	Part finance the acquisition of a property in Penang which is currently used as our warehouse and office.	4.42 (i.e. 2.30% below the bank's base lending rate as at the LPD of 6.72% per annum)	November 2041	2,391	[●]
Banker's acceptance	Purchase of inventory	4.19% - 4.36%	Revolving tenure of 150 days from the date of drawdown	13,875	[●]
Total				16,266	[●]

The repayment of the fixed loan is expected to result in interest savings of approximately RM[●] million per annum based on the interest rate of 4.42% per annum as shown above. The actual interest savings may vary depending on the then applicable interest rates.

With the repayment of the banker's acceptance, we expect to improve our liquidity position in the future. However, the repayment of the banker's acceptance will not result in interest savings as the interest cost has been incurred upfront.

As set out in Section 12 of this Prospectus, the proposed repayment of bank borrowings will also reduce our Group's gearing level from [●] times (based on our Group's pro forma combined statement of financial position after the Acquisitions) to [●] times (based on the total borrowings of RM[●] million and pro forma shareholders' fund of RM[●] million of our Group upon utilisation of proceeds raised from the IPO).

In the event the actual principal balance of the borrowings at the point of repayment is less than the amount allocated for the repayment, we will re-allocate the excess amount to working capital.

4.4.4 Working capital for purchase of inventories

We anticipate the need for more inventory to support our existing and future growth. Pursuant thereto and in tandem with the anticipated growth in line with our business expansion, we have earmarked approximately RM[●] million or approximately [●]% of the gross proceeds from the Public Issue to replenish our inventory of bathroom and kitchen sanitary ware products.

Our total purchase of inventories during the FYE 2021, FYE 2022 and FYE 2023 amounted to RM49.16 million, RM49.66 million and RM54.12 million, respectively.

4. DETAILS OF OUR IPO (Cont'd)

4.4.5 Estimated listing expenses

The estimated fees and expenses for our IPO and Listing to be borne by us are approximately RM[●] million comprising the following:-

	<u>RM'000</u>
Professional fees ⁽¹⁾	[●]
Fees to authorities	[●]
Brokerage, underwriting commission and placement fees	[●]
Miscellaneous expenses and contingencies ⁽²⁾	[●]
Total	<u>[●]</u>

Notes:-

- (1) Includes advisory fees for, among others, Principal Adviser, legal advisers, Reporting Accountants, Tax advisers, IMR, Independent Internal Control Consultant, and Issuing House.
- (2) Includes any other incidental charges or related expenses in connection with our IPO, such as translation services, printing and advertising expenses, applicable service tax and IPO event expenses.

If the actual listing expenses are higher than estimated, the deficit will be funded out of the proceeds allocated for working capital purposes. Conversely, if the actual listing expenses are lower than estimated, the excess will be used for working capital purposes.

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4. DETAILS OF OUR IPO (Cont'd)

4.5 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.5.1 Brokerage fee

We will bear the brokerage fee at the rate of [●]% 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.

4.5.2 Underwriting commission

Our Underwriter has agreed to underwrite 43,000,000 Issue Shares offered to Malaysian Public via balloting under the Public Issue and 16,000,000 Pink Form Allocation. We will pay our Underwriter an underwriting commission at the rate of [●]% of the total value of the Issue Shares to be underwritten based on the IPO Price.

4.5.3 Placement fee

Our Placement Agent has agreed to place out 96,000,000 Issue Shares allocated by way of private placement and 74,000,000 Offer Shares to selected investors including Bumiputera investors approved by the MITI at a placement fee and selling commission of up to [●]% of the total value of the IPO Shares successfully placed out by the Placement Agent at the IPO Price.

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

4.6 DETAILS OF THE UNDERWRITING AGREEMENT

On [●], we have entered into the Underwriting Agreement with our Underwriter to underwrite 59,000,000 Issue Shares ("**Underwritten Shares**"), on the terms and subject to the conditions as set out in the Underwriting Agreement.

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

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