

4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period 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

Events	Indicative date
Issuance of this Prospectus / Opening of Application	[•]
Closing of Application	[•]
Balloting of Application	[•]
Allotment / Transfer of IPO Shares to successful applicants	[•]
Date of Listing	[•]

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

4.3 DETAILS OF OUR IPO

4.3.1 Listing scheme

(a) Public Issue

A total of 160,000,000 Issue Shares, representing 20.0% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(i) Malaysian Public

40,000,000 Issue Shares, representing 5.0% of our enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

(aa) 20,000,000 Issue Shares made available to public investors; and

(bb) 20,000,000 Issue Shares made available to Bumiputera public investors.

(ii) Eligible Persons

40,000,000 Issue Shares, representing 5.0% of our enlarged share capital, are reserved for our Eligible Persons under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.3.

(iii) Private placement to Bumiputera investors approved by MITI

80,000,000 Issue Shares, representing 10.0% of our enlarged share capital, are reserved for private placement to Bumiputera investors approved by MITI.

The basis of allocation of the Issue Shares shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors.

4. DETAILS OF OUR IPO (Cont'd)

Upon completion of our Public Issue, our share capital will increase from RM107,584,002 comprising 640,000,000 Shares to RM[•] comprising 800,000,000 Shares. There is no over-allotment or 'greenshoe' option that will increase the number of our IPO Shares.

Our Public Issue is subject to the terms and conditions of this Prospectus.

(b) Offer for Sale

Our Selling Shareholders will undertake an offer for sale of 45,000,000 Offer Shares, representing 5.6% of our enlarged share capital at our IPO Price. The Offer Shares shall be undertaken by way of private placement in the following manner:

- (i) 20,000,000 Offer Shares made available for selected Bumiputera investors approved by MITI; and
- (ii) 25,000,000 Offer Shares made available for selected investors.

Further details of our Selling Shareholders are set out in Section 4.3.2.

Our Offer for Sale is subject to the terms and conditions of this Prospectus.

(c) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM[•] comprising 800,000,000 Shares shall be listed on the ACE Market.

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4. DETAILS OF OUR IPO (Cont'd)

4.3.2 Selling Shareholders

Details of our Selling Shareholders are as follows:

Name / Residential address	Relationship with our Group	⁽¹⁾ Before IPO / As at LPD		Offer Shares offered			After IPO	
		No. of Shares	⁽²⁾ %	No. of Shares	⁽²⁾ %	⁽³⁾ %	No. of Shares	⁽³⁾ %
Chin Mee Leen / 1, Lorong Bestari 2 Taman Bestari, Luyang 88300 Kota Kinabalu Sabah	Promoter and substantial shareholder	522,369,500	81.6	36,729,000	5.7	4.6	485,640,500	60.7
Loke Theen Fatt / 1, Lorong Bestari 2 Taman Bestari, Luyang 88300 Kota Kinabalu Sabah	Promoter, substantial shareholder and Managing Director / Chief Executive Officer	⁽⁴⁾ 117,630,500	18.4	8,271,000	1.3	1.0	109,359,500	13.7

Notes:

- (1) After completion of the Acquisitions but prior to our Public Issue.
- (2) Based on our share capital of 640,000,000 Shares before our IPO.
- (3) Based on our enlarged share capital of 800,000,000 Shares after our IPO.
- (4) Including 1 Share which was transferred from Yap Kim Leng, a nominee shareholder, to Loke Theen Fatt.

Further details of our Selling Shareholders, who are also our Promoters, substantial shareholders and/or Managing Director / Chief Executive Officer can be found in Section 5.1.

4. DETAILS OF OUR IPO (Cont'd)**4.3.3 Pink Form Allocations**

We have allocated 40,000,000 Issue Shares under the Pink Form Allocations to Eligible Persons as follows:

Category	No. of Eligible Persons	Aggregate no. of Issue Shares allocated
Eligible Directors	4	5,000,000
Eligible employees	46	10,000,000
Persons who have contributed to the success of our Group	50	25,000,000
	100	40,000,000

Pink Form Allocations which are not accepted by certain Eligible Persons will be re-allocated to the other eligible Directors as set out in the table below and other eligible employees and persons who have contributed to the success of our Group at the discretion of our Board.

(a) Allocation to eligible Directors

The criteria for allocation to our eligible Directors are based on amongst others their anticipated contribution to our Group.

Loke Theen Fatt (our Managing Director / Chief Executive Officer), Stella Loke Pei Wen and Wilson Loke Choon Syn (both are our Executive Directors) have opted not to participate in the Pink Form Allocations as Loke Theen Fatt is already undertaking the Offer for Sale and both Stella Loke Pei Wen and Wilson Loke Choon Syn are his daughter and son, respectively.

Details of the proposed allocation to our other Directors are as follows:

Name	Designation	No. of Issue Shares allocated
Dato' Haji Hamzah Bin Haji Ghazalli	Independent Non-Executive Chairman	1,250,000
Datuk Tan Kok Liang	Independent Non-Executive Director	1,250,000
Lim Guik Moi	Independent Non-Executive Director	1,250,000
Chua Chai Hua	Independent Non-Executive Director	1,250,000
		5,000,000

(b) Allocation to our eligible employees

The criteria of allocation to our eligible employees (as approved by our Board) are based on, inter-alia, the following factors:

- (i) Our employees must be an eligible and confirmed employee and on the payroll of our Group;
- (ii) The number of shares allocated to our eligible employees are based on their seniority, position, length of service and respective contribution made to our Group as well as other factors deemed relevant to our Board; and
- (iii) Full time employee of at least 18 years of age.

4. DETAILS OF OUR IPO (Cont'd)

Included in the allocation to our eligible employees are the proposed allocations to our key senior management:

Name	Designation	No. of Issue Shares allocated
Abdullah Azlan Bin Khalid	Chief Operating Officer	1,000,000
Chaw Ken Vun	Chief Financial Officer	1,000,000
		2,000,000

Loke Pei Lee (our Director of Management) has also opted out of the Pink Form Allocations as she is the child of our Promoters and substantial shareholders namely, Loke Theen Fatt and Chin Mee Leen, who are undertaking the Offer for Sale.

(c) Allocation to persons who have contributed to the success of our Group

Persons who have contributed to the success of our Group include business associates, contractors and suppliers, whom are not related parties to our Group.

The number of Issue Shares to be allotted to those persons who have contributed to the success of our Group are based on amongst others, the nature and terms of their business relationship with us, length of their relationship with us and the level of contribution and support to our Group.

4.3.4 Placement and underwriting arrangement

Our Underwriter will underwrite 80,000,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 80,000,000 Issue Shares and 45,000,000 Offer Shares available for application by Bumiputera investors approved by MITI and selected investors will not be underwritten and will be placed out by our Placement Agent.

Any of our Issue Shares not subscribed by the Malaysian Public or Pink Form Allocations shall be subject to the following clawback and reallocation provisions:

- (a) If any Issue Shares allocated to the Malaysian Public are undersubscribed, the balance portion will be allocated for excess application by our Eligible Persons. Likewise, any Issue Shares which are not taken up by our Eligible Persons, will be allocated to the Malaysian Public.
- (b) After (a) above, the remaining portion will be made available for application by way of private placement to selected investors to be identified.
- (c) Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms and conditions of the Underwriting Agreement.

The allocation of Issue Shares to identified Bumiputera investors shall be subject to the allocation as approved by MITI. Such Issue Shares shall be subject to the following clawback and reallocation provisions:

- (a) Any unsubscribed Issue Shares allocated to Bumiputera investors approved by MITI shall firstly be reallocated to Malaysian institutional investors. If after the above reallocation, there are still Issue Shares not taken up, the said unsubscribed Issue Shares shall then be offered to Bumiputera public investors via public balloting.

4. DETAILS OF OUR IPO (Cont'd)

- (b) After (a) above, the remaining portion will be made available for:
- (i) Malaysian Public, in the event of an oversubscription; or
 - (ii) application by way of private placement to selected investors to be identified, the proportion of which will be determined by our Board and Placement Agent.

The clawback and reallocation shall not apply in the event of over-application of the Issue Shares allocated to the Malaysian Public, Pink Form Allocations and private placement to Bumiputera investors approved by MITI. Our Board will ensure that any excess IPO Shares will be allocated in a fair and equitable manner.

4.3.5 Minimum and over-subscription

There is no minimum subscription to be raised 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 IPO Shares will be the number of IPO Shares required to be held by public shareholders to comply with the public spread requirements as set out in the Listing Requirements or as approved by Bursa Securities.

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.

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. 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 applications. 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.

As at LPD, save as disclosed in Section 4.3.3, to the extent known to our Company:

- (a) there are no substantial shareholder(s), Directors or key senior management of our Company who have indicated to our Company that they intend to subscribe for the IPO Shares; and
- (b) there are no person(s) who have indicated to our Company that they intend to subscribe for more than 5.0% of the IPO Shares.

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

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

	No. of Shares	RM
Share capital		
As at LPD	3	3
To be issued pursuant to the Acquisitions	639,999,997	107,583,999
As at the date of this Prospectus	640,000,000	107,584,002
To be issued under our Public Issue	160,000,000	[•]
Enlarged share capital upon our Listing	800,000,000	[•]

4. DETAILS OF OUR IPO (Cont'd)

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

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

Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing ordinary 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 allotment of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing ordinary 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 special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on 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 any surplus if our Company is liquidated in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meetings in person or by proxy or by other duly authorised representative. On poll, every shareholder present in person or by proxy or other duly authorised representative shall have one vote for each ordinary share held.

4.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (a) To enable our Group to raise funds for the purposes specified in Section 4.9 herein;
- (b) To gain recognition through our listing status to enhance our reputation in terms of marketing our development projects and retention of our employees;
- (c) To provide an opportunity for the Malaysian Public, including our Eligible Persons to participate in our equity; and
- (d) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4.6 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M & A Securities, as our Adviser, Sponsor, Underwriter and Placement Agent, after taking into consideration the following factors:

- (a) Our pro forma NA per Share of RM[•], calculated based on our pro forma NA after IPO and utilisation of proceeds as at 31 December 2022 of approximately RM[•] million and enlarged share capital of 800,000,000 Shares upon Listing;
- (b) The PE Multiple of our IPO Price of approximately [•] times based on our EPS of approximately 1.3 sen for FYE 2022, calculated based on our PAT for FYE 2022 of RM10.5 million and enlarged share capital of 800,000,000 Shares upon Listing;

4. DETAILS OF OUR IPO (Cont'd)

(c) Our historical financial track record as follows:

	Audited		
	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000
Revenue	90,193	98,518	112,880
GP	28,224	29,121	30,807
Other income	2,328	4,187	2,919
PAT	12,595	15,620	10,482

(d) Our competitive strengths as set out in Section 7.7; and

(e) Our business strategies and future plans as set out in Section 7.17.

You should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 9 before deciding to invest in our Shares.

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 800,000,000 Shares, our total market capitalisation upon Listing will be RM[•].

4.8 DILUTION

Dilution is the amount by which our IPO Price exceeds our pro forma NA per Share immediately after our IPO. The following table illustrates such dilution on a per Share basis:

	RM
IPO Price	[•]
Pro forma NA per Share as at 31 December 2022 after Acquisitions and before IPO	0.19
Pro forma NA per Share as at 31 December 2022 after Acquisitions, IPO and utilisation of proceeds	[•]
Increase in pro forma NA per Share attributable to existing shareholders	[•]
(Decrease) in pro forma NA per Share to our new public investors	([•])
(Decrease) in pro forma NA per Share as a percentage of our IPO Price	([•]%)

Further details of our pro forma NA per Share as at 31 December 2022 is set out in Section 14.

4. DETAILS OF OUR IPO (Cont'd)

The following table shows the average effective cost per Share paid by our existing shareholders for our Shares since our incorporation up to LPD:

Name	⁽¹⁾ No. of Shares received	Total consideration	Average effective cost per Share
		RM	RM
Chin Mee Leen	522,369,500	87,810,313	0.1681
Loke Theen Fatt	117,630,500	19,773,689	0.1681
	640,000,000	107,584,002	

Note:

⁽¹⁾ Comprises Shares issued under the Acquisitions, 1 Share each held by Chin Mee Leen and Loke Theen Fatt and 1 Share transferred from Yap Kim Leng, a nominee shareholder, to Loke Theen Fatt.

Save as disclosed above, there has been no acquisitions or subscription of any of our Shares by our Directors or key senior management, substantial shareholders or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 3 years up to LPD.

4.9 UTILISATION OF PROCEEDS

4.9.1 Public Issue

The estimated gross proceeds from our Public Issue of RM[•] million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Notes	RM'000	%	⁽¹⁾ Estimated timeframe for utilisation
Acquisition of land for development	(a)	[•]	[•]	Within 12 months
Upgrading existing / expansion of our casting yard / IBS facility for our building division	(b)	[•]	[•]	Within 24 months
Upgrade software and systems	(c)	[•]	[•]	Within 6 months
Working capital for project development	(d)	[•]	[•]	Within 12 months
Repayment of bank borrowings	(e)	[•]	[•]	Within 12 months
Estimated listing expenses	(f)	[•]	[•]	Within 1 month
Total		[•]	100.0	

Pending the deployment of the proceeds raised from our Public Issue as aforementioned, the funds will be placed in short-term deposits with financial institutions.

Notes:

⁽¹⁾ From the date of our Listing.

(a) Acquisition of land for development

We have allocated RM[•] million for acquisition of landbank in Sabah within the vicinity of our existing landbank for our future development in Alamesra, Kota Kinabalu.

4. DETAILS OF OUR IPO (Cont'd)

We have on 9 January 2023, entered into a conditional sale and purchase agreement with Millennium Amber Sdn Bhd (non-related party) for the acquisition of Alamesra Lands, which is earmarked for our future project in Alamesra, Kota Kinabalu as set out in Section 7.3.2.3, for a cash consideration of RM74.0 million. The details of the lands are as follows:

No.	Description of properties	Land size (acres)	Purchase price (RM'000)	Allocation (RM'000)
1.	Alamesra Lands	20.4	73,999	[•]
				[•]

In relation to the acquisition of landbank above, we engaged an independent valuer to conduct a valuation of the land, which yielded an indicative market value of RM86.9 million. We intend to develop high rise residential properties considering the well-developed infrastructure and amenities within the surrounding area as well as good accessibility within Kota Kinabalu.

As at LPD, we had subsequently proposed amendments to the initial development order for this project, details of which are set out in Section 7.3.2.3, which was approved by the Sabah Town and Regional Planning Department during the meeting held on 27 February 2023 and is pending the approval by Dewan Bandaraya Kota Kinabalu (i.e. estimated to obtain the approval by September 2023). The initial development approval obtained in 2019 was for the development of 5 blocks of 16-storey condominium with a total of 1,600 units designed for college residence. However, following our Group's market survey conducted internally prior to the acquisition of such land, our Group had identified the needs to amend the development plan according to the latest market needs based on the location of the land. We are also in the midst of completing the acquisition of the Alamesra Lands from Millennium Amber Sdn Bhd, which is conditional upon, among others, our solicitors' receipt of the Permission to Transfer and Charge and the duly executed and registrable memorandum of amendment in relation to the Permission to Transfer and Charge (expected to be obtained by November 2023). Further details of our plan to expand our business through the acquisition of landbank for future projects in Kota Kinabalu are set out in Section 7.17.1.

We intend to allocate RM[•] million from the proceeds to satisfy the purchase consideration for the acquisition of the said lands. The balance purchase price of RM[•] million will be funded via bank borrowings which our Group has secured a letter of offer from Hong Leong Islamic Bank for such purpose. However, in the event of a deficit, we shall finance such shortfall from our internally generated funds and/or bank borrowings. Any unutilised proceeds will be allocated for working capital purposes, and such variation shall, if required, be publicly announced and subject to our shareholders' approval pursuant to Rule 8.24 of the Listing Requirements.

(b) Upgrading existing / expansion of our casting yard / IBS facility for our building division

Our Group has been adopting the precast concrete system IBS construction technique which comprises the off-site manufacturing of IBS components at our casting yards, after which the ready IBS components will then be transported to our project sites for assembly and installation. As at LPD, our Group manufactures beams (i.e. parapet beam), floor slabs (i.e. staircases, landing slabs, and steps and half slabs) and exterior and interior wall panels (i.e. panel walls and parapet walls) using our existing IBS production lines.

4. DETAILS OF OUR IPO (Cont'd)

As at LPD, our Group has 2 casting yards located in Tuaran (2 lines) and Kinarut (3 lines), Sabah, respectively to manufacture the IBS components in which the existing 5 IBS production lines in Tuaran and Kinarut are able to manufacture all existing range of IBS components. As our Group's IBS components are manufactured for our own projects, the production and inventory are planned according to individual project needs which are dependent on factors such as type and volume required, daily manufacturing capacity, construction progress, delivery schedule and inventory space available. Our Group may store up to 3 months of inventory depending on construction requirements.

Our casting yard in Tuaran has a land area of approximately 102,000 sq ft while our casting yard in Kinarut has a land area of approximately 653,000 sq ft. Ready mix concrete that are used in the manufacturing of our IBS components are produced in our batching plant that is assembled within our Tuaran and Kinarut casting yards, respectively. As at LPD, we are operating from our casting yard in Tuaran which is located adjacent to our existing projects, to cater to the particular project needs and are also transported to our Group's other project sites for assembly and installation. The manufacturing of IBS components at our casting yard in Tuaran is supported by 2 IBS production lines. Our casting yard in Kinarut, Sabah is temporarily not in operations as at LPD as the supply of IBS components to its allocated project sites has been completed. Please refer to Section 7.4.2 for further details on the manufacturing capacity of our IBS casting yards.

Our Group intends to recommence the operations of our casting yard in Kinarut, Sabah to begin producing hollow core slabs, which will expand our Group's production capability as it supplements our existing range of IBS components.

In this regard, we have allocated RM[•] million from the proceeds raised from our Public Issue to purchase the new IBS production line (including a batching and mixing plant to support the operations of our IBS production line) which we plan to install at our Kinarut casting yard. We presently use conventional construction methods to construct parking podiums. Hence, by introducing the production of hollow core slab using IBS, we will be able to expedite the process and duration for the construction of parking podiums as well as reduce the dependency on on-site labour. Together with the IBS components that we currently produce, the production of hollow core slabs will collectively contribute to shorter overall construction time for our projects, thus underpinning our Group's future plan to invest in a new IBS production line to produce hollow core slabs to supplement our existing range of IBS components manufactured. The difference between our existing IBS production lines and the new IBS production line to be acquired is that the new IBS production line will have an additional prestressing machine. Prestressing is a process where tension is applied to the high tensile strength and low relaxation steel wire throughout the concrete drying process to reinforce the concrete, thus allowing the hollow core slabs to overcome the concrete's natural weakness in tension and facilitating longer spans between bearing points. As the hollow core slabs that our Group intends to manufacture require prestressing, we are required to invest in a new IBS production line in order to produce the hollow core slabs. Our Group had not outsourced the production of hollow core slabs prior to this as the planning and design of our completed and on-going projects does not involve the use of hollow core slabs. The installation and implementation of the new IBS production line is estimated to take approximately 6 to 9 months.

Further, despite the temporary disruption to our casting yard activities during the period of the COVID-19 pandemic, there were no delays in the delivery of IBS components to our project sites and no delays on the delivery of our projects. Our Group's ability to complete our projects on time despite the disruptions to operations during the pandemic had demonstrated that the adoption of IBS construction technique is able to shorten construction times, thus underpinning our Group's rationale to invest in a new IBS production line to produce hollow core slabs to supplement our existing range of IBS components manufactured. Further details on the benefits of the adoption of hollow core slabs can be found in Section 7.13.3.

4. DETAILS OF OUR IPO (Cont'd)

The new IBS production line is estimated to be able to achieve an annual manufacturing capacity of 16,100 m³ in a year (i.e. derived based on the assumption that 24,180 m³ of IBS components are manufactured in Kinarut in 2019 and an approximate 261,000 sq ft of land area was utilised to cater to the manufactured volume. This gives a calculation of 0.0926 m³ of IBS components manufactured per sq ft. As a start, we intend to utilise an approximate 174,000 sq ft of our casting yard in Kinarut for the new IBS production line. Based on the calculation of 0.0926 m³ of IBS component manufactured per sq ft, we will be able to achieve an estimated annual manufacturing capacity of 16,100 m³).

The breakdown of the estimated purchase cost for each type of machinery and equipment for the new IBS production line (including a new batching and mixing plant), all of which will be acquired from local suppliers, are as follows:

No.	Type of machinery and equipment	Description	Unit	RM'000
1.	Batching and mixing plant	To batch and mix concrete	1	[•]
2.	Shuttle	To transport concrete from batching and mixing plant to distributor that feeds the casting machine	1	}
3.	Distributor	To serve as an intermediate concrete storage between shuttle and casting machine	1	
4.	Preparer	To maintain, clean and apply oil on the casting beds and to pull the prestressing strands on the bed	1	
5.	Prestressing	To conduct pre-tensioning before casting of concrete by placing high tensile steel tendons in a desired profile in which the concrete is to be cast	1	
6.	Extruder	To produce hollow core slabs	1	
7.	Saw	To cut the IBS components	1	
8.	Lifting beam	To lift the cut slabs from the beds using an overhead crane with two hoists	1	
9.	Driller	To drill water holes on both ends of the slabs to allow water drainage from the voids during installation on site	1	
10.	Wagon	To transport wagons for transporting precast products to the storage area, pulled by steel wire	1	
11.	Storage clamp	Lifts and stack slabs, either one by one or in bundles, by storage crane with two hoists.	1	
Total				[•]

The remaining RM[•] million will be funded via our internally generated funds/bank borrowings.

4. DETAILS OF OUR IPO (Cont'd)

As our future project in Alamesra is expected to commence construction in September 2023, our Group will relocate the existing 3 IBS production lines, which currently utilise approximately 261,000 sq ft (inclusive of land area to cater to the manufactured IBS components) of our Kinarut casting yard, to a temporary casting yard located within Alamesra project site. The cost of relocation of these 3 existing IBS production lines to the temporary casting yard within the Alamesra project site is estimated to be approximately RM0.2 million, which will be funded via internally generated funds or bank borrowings. We intend to utilise approximately 174,000 sq ft of our Kinarut casting yard to house the new IBS production line as well as the manufactured IBS components. As our casting yard in Kinarut has a total land area of approximately 653,000 sq ft, there will be sufficient space in our Kinarut casting yard to house the new IBS production line.

We have allocated 24 months from our Listing to implement this plan although the exact timing of such purchase will depend on the final quotation from the suppliers, which is estimated to be issued within 3 to 7 working days upon request.

(c) Upgrade software and systems

As at LPD, the software and systems that are currently used by our Group are as follows:

No.	Type of software and systems	Description	Unit
1.	Marketing and property management software	A software that supports our sales and marketing activities whereby it comprises functions such as sales tracking, sales reporting, progress billing and the tracking of sales collections of the respective projects developed by our Group. The software also provides linkage to our panels of solicitors and financial institutions' platform to improve the flow and tracking of sales and payment status. In addition, the software also includes function for our Group to carry out the operations of our property management activities.	1
2.	Project planning software	A software used for project planning and scheduling to ensure that all development projects are progressing in accordance with our Group's targeted schedule for the delivery of vacant possessions, as well as to monitor construction progress to avoid any delays.	1
3.	Modelling software	A software used to develop 2-dimensional model visualisation of building designs and structures to provide a 2-dimensional perspective of the building plan. The software is also used to view third party consultants drawing on the measurement of the building design, for discussion and enhancement purposes.	1
4.	Virtual sales gallery	A virtual tour software platform that enables users to navigate through the 3D spaces of our show units and experience a holistic overview of the 3D spaces with dollhouse view feature.	1

4. DETAILS OF OUR IPO (Cont'd)

No.	Type of software and systems	Description	Unit
		<p>The platform functions by converting 360-degree panoramic images of our show units into a virtual 3D model. This converted form of virtual 3D model allows users to virtually walkthrough our physical show units, thereby reducing travel concerns and geographic restrictions of potential end buyers.</p> <p>This platform is also able to capture a 360-degree aerial view from our project site which allows users to view the surrounding environment of the project site, including accessibility, infrastructure and amenities within the neighbourhood.</p>	

We have allocated RM[•] million of the proceeds raised from our Public Issue to upgrade our software and systems. We intend to upgrade to an integrated resource planning system to facilitate our business expansion. The integrated resource planning system will enable us to streamline our processes, eliminate redundant processes through automation, centralise our data and improve planning and reporting works. We have taken into consideration our scope of works for our on-going projects as well as our order books and tender books in determining the following software and systems to be purchased.

The details of the software and systems, all of which will be purchased from local supplier(s), are as follows:

No.	Type of software and systems	Description	Unit	RM'000
1.	ELiPLAN P7 precast production management system	Manages the precast production in one casting yard including support for the production management and storage management	1	[•]
2.	Unified human capital management system	Payroll and human resources system, ranging from capturing employees' information, calculation of salaries and documentation	1	[•]
3.	Financial accounting system	Digitalises the financial accounting system, including contract claims, purchasing, sales and trading / back charging	1	[•]

[•]

4. DETAILS OF OUR IPO (Cont'd)**(d) Working capital for project development**

A total of RM[•] million of the proceeds raised from our Public Issue will be used to supplement our general working capital requirements for The Logg's project, which include construction costs (building and infrastructure cost), consultants' and professional fees, and local authority fees for our on-going projects. The Logg's project commenced in July 2019 and has an estimated GDC (excluding land cost) of RM[•] million, as detailed below. The proposed allocations of the proceeds are for the following components of GDC:

No.	Description	Amount RM'000
1.	Construction costs (including materials, infrastructure, and building works)	[•]
2.	Professional fees	[•]
4.	Local authority fees	[•]
5.	Topography survey / Soil investigation report / Subdivision and subsidiary titles	[•]
6.	Marketing expenses	[•]
7.	Management cost	[•]
8.	Other fees ⁽¹⁾	[•]
		[•]

Note:

(1) Other fees include but are not limited to general administrative expenses such as staff-related costs, stamp duty and finance costs. The specific allocation of these fees has not been determined at this point and will depend on the funding needs at the time of utilisation.

The allocation of proceeds for our working capital requirements will reduce our dependency on external financing and allow us to undertake more projects concurrently. As at LPD, we have yet to determine the allocation to the specific GDC components as it will depend on the construction stage of the project at the point of utilisation.

(e) Repayment of bank borrowings

An amount of RM[•] million is allocated to fully settle the existing term loan financing for the following assets. For illustrative purpose, the details of our borrowings in relation to these assets as at LPD are set out as follows, among which we have indicated which facilities that the RM[•] million repayment will be made to:

Financial institution / Type of facility	Asset financed / Existing use	Interest rate per annum	Maturity date	Principal amount	Balance as at LPD	Amount to be repaid	Annual interest savings
		%		RM'000	RM'000	RM'000	RM'000
United Overseas Bank (Malaysia) Bhd / Term loan	3-storey shoplot, Lot 68 and 69, Taman Nelly / Vacant	5.9	January 2026	1,000	351	[•]	[•]

4. DETAILS OF OUR IPO (Cont'd)

Financial institution / Type of facility	Asset financed / Existing use	Interest rate per annum	Maturity date	Principal amount	Balance as at LPD	Amount to be repaid	Annual interest savings
		%		RM'000	RM'000	RM'000	RM'000
Bank Muamalat Malaysia Berhad / Term loan	4-storey shoplot, Lot 222, Taman Nelly, Phase 4 Shoplot / Our headquarters	7.3	October 2028	5,000	3,002	[•]	[•]
Total				6,000	3,353	[•]	[•]

If the balance of the abovementioned term loan as at the time of repayment is less than the amount allocated, the excess amount allocated will be used to repay the other term loans.

As at LPD, our outstanding banking facilities amounted to RM77.6 million. However, we expect to drawdown further other term loans and bridging loans to support our working capital requirements as our business continues to grow. Nonetheless, the expected annual interest savings from the repayment of the bank borrowings is approximately RM[•] million based on the interest rate ranging from 5.9% to 7.3% per annum as tabulated above. However, the actual interest savings may vary depending on the then applicable interest rates. Our Group is not subject to any early settlement fee from the repayment of bank borrowings above.

(f) Estimated listing expenses

An amount of RM[•] million is allocated to meet the estimated cost of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Description	Estimated cost
	RM'000
Professional fees ⁽¹⁾	[•]
Underwriting, placement and brokerage fees	[•]
Fees payable to the authorities	[•]
Printing, advertising fees and contingencies ⁽²⁾	[•]
	[•]

Notes:

- (1) Include advisory/professional fees for, amongst others, our Adviser, solicitors, reporting accountants, IMR, internal control reviewer, Independent Valuer, Share Registrar and Issuing House.
- (2) Other incidental or related expenses in connection with our IPO.

4. DETAILS OF OUR IPO (Cont'd)

Any variations from the amounts budgeted above, save for item (d), shall be adjusted towards or against, as the case may be, the proceeds allocated for our general working capital requirements. Where applicable and required under Rule 8.24 of the Listing Requirements, we will seek shareholders' approval for any material variation to the intended utilisation of proceeds. Any further shortfall shall be funded from our internally-generated funds or bank borrowings, at a proportion to be determined at the point of funding.

4.9.2 Offer for Sale

The Offer for Sale is expected to raise gross proceeds of approximately RM[•] million which will accrue entirely to our Selling Shareholders and we will not receive any of the proceeds.

Our Selling Shareholders shall bear all of the expenses relating to the Offer Shares, the aggregate of which is estimated to be approximately RM[•] million.

4.10 BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION

4.10.1 Brokerage fees

Brokerage is payable in respect of the Issue Shares at the rate of 1.0% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association or Issuing House.

4.10.2 Placement fees

Our Placement Agent will place out a total of 80,000,000 Issue Shares and 45,000,000 Offer Shares to Bumiputera investors approved by MITI and selected investors.

We will pay our Placement Agent a placement fee of [•]% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of [•]% of the value of those Offer Shares placed out by our Placement Agent will be borne entirely by our Selling Shareholders.

4.10.3 Underwriting commission

Our Underwriter has agreed to underwrite 80,000,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We will pay our Underwriter an underwriting commission of [•]% of our IPO Price multiplied by the number of Shares underwritten.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M & A Securities, to underwrite 80,000,000 Issue Shares ("**Underwritten Shares**") as set out in Section 4.3.4.

The salient terms in the Underwriting Agreement are as follows:

[•]

4. DETAILS OF OUR IPO (Cont'd)

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

Our Shares will be admitted to the Official List of the ACE Market and an official quotation will commence after, among others, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and Depository Rules. We will not issue any share certificates to successful applicants.

Upon our Listing, transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired.

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

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