

4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION

The period for Application 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 | Date |
|---|------|
| Issuance of this Prospectus / Opening of Application | [●] |
| Closing Date / Closing of Application | [●] |
| Balloting of Application | [●] |
| Allotment / Transfer of IPO Shares to successful applicants | [●] |
| Date of Listing | [●] |

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

4.3 DETAILS OF OUR IPO

4.3.1 Public Issue

A total of 350,000,000 Issue Shares, representing 17.50% of our enlarged issued share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(a) Malaysian Public

80,000,000 Issue Shares, representing 4.00% of our enlarged issued share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

- (i) 40,000,000 Issue Shares, representing 2.00% of our enlarged issued share capital, will be made available to non-Bumiputera Malaysian Public; and
- (ii) 40,000,000 Issue Shares, representing 2.00% of our enlarged issued share capital, will be made available to Bumiputera Public.

(b) Eligible Parties

20,000,000 Issue Shares, representing 1.00% of our enlarged issued share capital, are reserved for our Eligible Parties under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.4 of this Prospectus.

(c) Private placement to selected investors

250,000,000 Issue Shares, representing 12.50% of our enlarged issued share capital, are reserved for private placement made available to Bumiputera investors identified/approved by the MITI.

Upon completion of our Public Issue, our issued share capital will increase from RM34,980,979 comprising 1,650,000,000 Shares to RM[●] comprising 2,000,000,000 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.

4. DETAILS OF OUR IPO (CONT'D)

4.3.2 Offer for Sale

A total of 350,000,000 Offer Shares, representing 17.50% of our enlarged issued share capital, are offered by our Selling Shareholders to selected non-Bumiputera investors by way of private placement at our IPO Price. Our Offer for Sale is subject to the terms and conditions of this Prospectus. The details of our Selling Shareholders and their relationship with our Group are as follows:

| Name / Nationality or Place of Incorporation / Address | Relationship with our Group | Before our IPO but after Acquisition | | Offer for Sale | | | After our IPO and the Share Transfer | |
|---|--|--------------------------------------|-------|----------------|------|------|--------------------------------------|-------|
| | | No. of Shares | (1)% | No. of Shares | (1)% | (2)% | No. of Shares | (2)% |
| Yeo Hock Cheong (Malaysian) No. 48, Jalan Mentari 4, Taman Naga Emas, Salak Selatan, 57100 Kuala Lumpur | Promoter, Executive Director/CEO and substantial shareholder | 561,000,200 | 34.01 | 133,499,800 | 8.09 | 6.67 | ⁽³⁾ 100,180,000 | 5.01 |
| BEH (Malaysia) C-02-12 Pusat Komersial Tebing Selatan, No.179 Jalan Kelang Lama, 58000 Kuala Lumpur | Substantial shareholder | 329,999,800 | 20.00 | 100,000,000 | 6.06 | 5.00 | 229,999,800 | 11.50 |
| Koh Xian Kai (Singaporean) D-11-06/07, Menara Suezcap 1, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur | Foreign Selling Shareholder | 75,428,600 | 4.57 | 25,428,600 | 1.54 | 1.27 | 50,000,000 | 2.50 |
| Steven Djunaidi (Indonesian) 23B, Keraton Luxury Residence, Jl. Mh Thamrin Kav 15, Jakarta 10350, Indonesia | Foreign Selling Shareholder | 75,428,600 | 4.57 | 25,428,600 | 1.54 | 1.27 | 50,000,000 | 2.50 |
| Ang Kian Siong (Hong Jianqiang) (Singaporean) 30 Sturdee Road, #19-05 Kerrisdale, Singapore 207852 | Foreign Selling Shareholder | 75,428,600 | 4.57 | 25,428,600 | 1.54 | 1.27 | 50,000,000 | 2.50 |
| Almuhaysini Ali Abdullah (Saudi Arabian) 4860 Essam bin Obaid Street, AlNaseem AlGharbi District Riyadh | Foreign Selling Shareholder | 60,107,200 | 3.64 | 20,107,200 | 1.22 | 1.01 | 40,000,000 | 2.00 |

4. DETAILS OF OUR IPO (CONT'D)

| Name / Nationality or Place of Incorporation / Address | Relationship with our Group | Before our IPO but after Acquisition | | Offer for Sale | | | After our IPO and the Share Transfer | |
|--|-----------------------------|--------------------------------------|------|----------------|------|------|--------------------------------------|------|
| | | No. of Shares | (1)% | No. of Shares | (1)% | (2)% | No. of Shares | (2)% |
| Cao Yu (PRC Chinese) 8A Paterson Hill #07-03, The Marq on Paterson Hill, Singapore 238568 | Foreign Selling Shareholder | 60,107,200 | 3.64 | 20,107,200 | 1.22 | 1.01 | 40,000,000 | 2.00 |

Notes:

(1) Based on the issued share capital of 1,650,000,000 Shares before our IPO but after Acquisition.

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

(3) After the Offer for Sale of 133,499,800 Offer Shares by Yeo Hock Cheong and the Share Transfer, where 327,320,400 Shares held by Yeo Hock Cheong will be transferred to Kayavest during the prescription period, after our IPO.

4.3.3 Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM[●] comprising 2,000,000,000 Shares shall be listed on the ACE Market.

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4. DETAILS OF OUR IPO (CONT'D)

4.3.4 Pink Form Allocations

We have allocated 20,000,000 Issue Shares under the Pink Form Allocations to our Eligible Parties as follows:

| Category | No. of Eligible Parties | Aggregate no. of Issue Shares allocated |
|---|-------------------------|---|
| Directors ⁽¹⁾ | 6 | 4,000,000 |
| Eligible employees ⁽²⁾ | 20 | 4,000,000 |
| Persons who have contributed to the success of our Group ⁽³⁾ | 15 | 12,000,000 |
| Total | 41 | 20,000,000 |

(1) Allocation to eligible Directors

The criteria for allocation to our eligible Directors are based on, amongst others, their anticipated contribution to our Group. Yeo Hock Cheong (our Executive Director/ CEO) has opted not to participate in the Pink Form Allocations as he is one (1) of the Selling Shareholders.

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

| Name | Designation | No. of Issue Shares allocated |
|---|--|-------------------------------|
| Tan Sri Dr Azmil Khalili Bin Dato' Khalid | Independent Non-Executive Chairman | 500,000 |
| Salihudin | Executive Director / Finance Director | 1,500,000 |
| Dr Wang Hong | Non-Independent Non-Executive Director | 500,000 |
| Tan Suat Hoon | Independent Non-Executive Director | 500,000 |
| Ahmad Lutfi B.Abdull Mutalip @ Talib | Independent Non-Executive Director | 500,000 |
| Rozainah Binti Baharuddin | Independent Non-Executive Director | 500,000 |
| Total | | 4,000,000 |

(2) Allocation to our eligible employees

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

- (i) our employees must be a full-time confirmed employee and on the payroll of our Group;
- (ii) the seniority, position, their length of service and their respective performance and contribution made to our Group;
- (iii) our employees must be at least 18 years old; and
- (iv) other factors deemed relevant to our Group.

4. DETAILS OF OUR IPO (CONT'D)

Details of the proposed allocation to our key senior management are as follows:

| Name | Designation | No. of Issue Shares allocated |
|---------------|-----------------------------|--------------------------------------|
| Teoh Soon Tek | COO | 800,000 |
| Loo Ze Hui | Head of Finance and Project | 500,000 |
| Choo Mun Chen | Operation Manager | 500,000 |
| Total | | 1,800,000 |

(3) 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 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, length of their relationship and the level of contribution and support to our Group.

4.3.5 Placement and underwriting arrangement

Our Underwriter will underwrite 100,000,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 250,000,000 Issue Shares available for application by Bumiputera investors approved by the MITI and 350,000,000 Offer Shares available to selected non-Bumiputera investors will be placed out by our Placement Agent and will not be underwritten.

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

(a) Malaysian Public

80,000,000 Issue Shares made available to the Malaysian Public have been fully underwritten. Any of our Issue Shares not subscribed by the Malaysian Public, shall be subject to the following clawback and reallocation provisions:

- (i) Firstly, allocated for excess application by our Eligible Parties.
- (ii) Secondly, allocated to selected investors by way of private placement.
- (iii) Lastly, subscribed by our Underwriter based on the terms of the Underwriting Agreement.

(b) Eligible Parties

20,000,000 Issue Shares made available to the Eligible Parties have been fully underwritten. Any of our Issue Shares not fully subscribed by the Eligible Parties, shall be subject to the following clawback and reallocation provisions:

- (i) Firstly, allocated for excess application by our other Eligible Parties.
- (ii) Secondly, made available for application by the Malaysian Public via balloting.
- (iii) Thirdly, allocated to selected investors by way of private placement.
- (iv) Lastly, subscribed by our Underwriter based on the terms of the Underwriting Agreement.

4. DETAILS OF OUR IPO (CONT'D)

- (c) Selected Bumiputera investors identified/approved by MITI

250,000,000 Issue Shares made available to the selected Bumiputera investors identified/approved by MITI by way of private placement are not underwritten. Any of our Issue Shares not subscribed by the Bumiputera investors identified/approved by MITI, shall be subject to the following clawback and reallocation provisions:

- (i) Firstly, allocated to Malaysian institutional investors by way of private placement.
- (ii) Secondly, made available for application by the Bumiputera Malaysian Public via balloting.
- (iii) Thirdly, made available for application by the Malaysian Public via balloting.
- (iv) Fourthly, allocated for excess application by our Eligible Parties.
- (v) Lastly, allocated to selected investors by way of private placement.

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.

4.3.6 Minimum requirements and 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 Board. Our Board will ensure that any excess Issue Shares will be allocated on a fair and equitable manner.

Under the Listing Requirements, at least 25.00% of our enlarged issued 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. Please refer to Section 9.3.2 of this Prospectus for details in the event our Listing is delayed or aborted.

As at the LPD, to the extent known to our Company:

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

4. DETAILS OF OUR IPO (CONT'D)

4.4 SHARE CAPITAL AND RANKING OF OUR SHARES

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

| Details | No. of Shares | RM |
|--|----------------------|------------|
| Existing issued share capital | 1,650,000,000 | 34,980,979 |
| New Shares to be issued under our Public Issue | 350,000,000 | [●] |
| Enlarged share capital upon our Listing | 2,000,000,000 | [●] |

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

As at the date of this Prospectus, we have only one (1) class of shares, being ordinary shares, all of which rank equally with each other.

Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing 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 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 Shares held by them, be entitled to share in 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 a vote by shows of hands, each shareholder present (either in person, or by proxy, or by representative) shall have one (1) vote. On a vote by way of poll, each shareholder present (either in person, or by proxy, or by representative) shall have one (1) vote for each Share held. A proxy may but need not be a shareholder of our Company.

4.5 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and our Principal Adviser, after taking into consideration the following factors:

- PE Multiple of approximately [●] times based on our EPS of 1.18 sen for the FYE 2023 computed based on our audited PAT for the FYE 2023 of RM23.56 million and our enlarged issued share capital of 2,000,000,000 Shares upon Listing
- our pro forma NA per Share of [●] sen as at 31 December 2023 based on our enlarged issued share capital of 2,000,000,000 Shares, after our IPO and utilisation of proceeds from Public Issue as set out in Section 4.7 of this Prospectus;
- our historical financial performance (as summarised below) and operating history as set out in Section 2.10 and Section 12.1 of this Prospectus;

| | Audited | | |
|---------|-----------------|-----------------|-----------------|
| | FYE 2021 | FYE 2022 | FYE 2023 |
| | RM'000 | RM'000 | RM'000 |
| Revenue | 115,114 | 144,440 | 335,251 |
| GP | 9,296 | 15,163 | 45,969 |
| PAT | 1,742 | 6,289 | 23,565 |

4. DETAILS OF OUR IPO (CONT'D)

- (d) our competitive strengths as set out in Section 7.19 of this Prospectus;
- (e) our future plans and business strategies as set out in Section 7.20 of this Prospectus; and
- (f) the industry overview and outlook based on the IMR Report as set out in Section 8 of this Prospectus.

Prospective investors should note that the market price of our Shares upon Listing is subject to uncertainties of market forces and other factors which may affect the price of our Shares being traded. Prospective investors should form your own views on the valuation of our IPO Shares and reasonableness of the bases used before deciding to invest in our IPO Shares. Prospective investors are reminded to carefully consider the risk factors as set out in Section 9 of this Prospectus before deciding to invest in our Shares.

4.6 DILUTION

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

| | Details | RM |
|--|-------------|------|
| IPO Price | (A) | [●] |
| Pro forma consolidated NA per Share as at 31 December 2023 before our IPO but after the Acquisition | (B) | [●] |
| Pro forma consolidated NA per Share as at 31 December 2023 after our IPO and the utilisation of proceeds | (C) | [●] |
| Increase in pro forma consolidated NA per Share attributable to existing shareholders | (C-B) | [●] |
| Dilution to our new investors | (A-C) | [●] |
| Dilution to our new investors as a percentage of our IPO Price | (A-C) / (A) | [●]% |

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

| Directors and substantial shareholders | (1) No. of Shares held before our IPO but after the Acquisitions | (2) Total Consideration (RM) | Average effective cost per Share (RM) |
|--|--|------------------------------|---------------------------------------|
| Yeo Hock Cheong | (3) 561,000,200 | (3) 11,894,183 | 0.0212 |
| Mikro MSC | 412,499,800 | 8,744,996 | 0.0212 |
| BEH | 329,999,800 | 6,995,996 | 0.0212 |
| Koh Xian Kai | 75,428,600 | 1,599,086 | 0.0212 |
| Steven Djunaidi | 75,428,600 | 1,599,086 | 0.0212 |
| Ang Kian Siong (Hong Jianqiang) | 75,428,600 | 1,599,086 | 0.0212 |
| Almuhaysini Ali Abdullah | 60,107,200 | 1,274,273 | 0.0212 |
| Cao Yu | 60,107,200 | 1,274,273 | 0.0212 |

4. DETAILS OF OUR IPO (CONT'D)**Notes:**

- (1) *Being Shares issued pursuant to the Acquisition.*
- (2) *Calculated based on the purchase consideration for the Acquisition attributable to them.*
- (3) *Including 1,000 subscriber shares of RM1,000 transferred to him after the Acquisition.*

Save as disclosed above and the Pink Form Allocations, there is no substantial disparity between our IPO Price and the effective cash cost to our Directors, substantial shareholders, key senior management and/or persons connected with them for any of our Shares acquired by them or they have the right to acquire our Shares in any transaction from our date of incorporation up to the date of this Prospectus.

4.7 UTILISATION OF PROCEEDS**4.7.1 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 | % | Timeframe for utilisation from the date of Listing |
|--|--------------|---------------|---------------|---|
| Capital expenditure for the following: | | | | |
| - Construction of new factory and warehouse in Kuantan | (1) | [●] | [●] | Within 36 months |
| - Purchase of new machineries and equipment | (2) | [●] | [●] | Within 18 months |
| Working capital | (3) | [●] | [●] | Within 12 months |
| Estimated listing expenses | (4) | [●] | [●] | Within 3 months |
| Total | | [●] | 100.00 | |

Notes:**(1) Capital expenditure for the construction of new factory and warehouse in Kuantan ("New Kuantan Facility")**

In conjunction with our Group's business plans and strategies (as further discussed in Section 7.20 of this Prospectus) to undertake the manufacturing of PKS in-house in Kuantan, Pahang, we intend to allocate RM[●] million, representing approximately [●]% of the gross proceeds from our Public Issue, to fund the acquisition of lands and the construction costs for the New Kuantan Facility.

We will be identifying a suitable land in Kuantan, Pahang ("**Land**") with a total land size of approximately 435,000 sq ft. The total built-up area of the New Kuantan Facility is estimated to be 105,000 sq ft based on the initial planning.

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4. DETAILS OF OUR IPO (CONT'D)

The tentative details of the New Kuantan Facility are as follows:

| | |
|--------------------------------|--|
| Location | Kuantan area with good accessibility to Kuantan Port, Pahang |
| Land area | 435,000 sq ft* |
| Built-up area | 105,000 sq ft |
| <i>Comprising:</i> | |
| • <i>factory cum warehouse</i> | <i>One (1) unit measuring 100,000 sq ft</i> |
| • <i>office</i> | <i>One (1) unit measuring 5,000 sq ft</i> |

Note: *For clarity, the remaining area (e.g. 330,000 sq ft) is open space and will be partially utilised for storage of raw materials.

A breakdown of the estimated cost in relation to the construction of the New Kuantan Facility based on contractor's quotation procured is as follows:

| Estimated costs | RM'000 |
|--|---------------|
| Land costs (including acquisition cost, legal fees, stamping fees and other related costs) | [•] |
| <u>Construction costs</u> | |
| - Building works | [•] |
| - External works | [•] |
| Total | [•] |

For clarity, the estimated costs are indicative as the final contracts for the construction of the New Kuantan Facility can only be finalised and entered into after our IPO.

The construction of the New Kuantan Facility is expected to complete within 24 months upon the identification of Land as illustrated below:

| Milestones | Estimated timeframe |
|-----------------------------------|--|
| Identification of Land | Between 6-12 months upon receipt of the gross proceeds from our Public Issue ("T") |
| Completion of acquisition of Land | T + 3 months |
| Procuring the requisite approval | T + 9 months |
| Commencement of construction | T + 10 months |
| Completion of construction | T + 19 months |
| Issuance of CCC | T + 22 months |
| Commencement of operation | T + 24 months |

The estimated costs of the machineries and equipment required to fit out the New Kuantan Facility are further detailed in Note (2) below.

Any excess amount required for the construction of the New Kuantan Facility will be funded by internally generated funds and/or bank borrowings. Conversely, if the actual amount for the construction of the New Kuantan Facility is lower than budgeted, the excess will be used for working capital purposes.

4. DETAILS OF OUR IPO (CONT'D)

Upon the commencement of the operation of the New Kuantan Facility, our Group may continue to engage its third-party contract manufacturer based in Kuantan subject to the demand requirement at that point of time.

Please refer to Section 7.20.1 of this Prospectus for further details on our Group's plan to set up the New Kuantan Facility.

(2) Capital expenditure for purchase of new machineries and equipment

We intend to allocate RM[●] million, representing approximately [●] % of the gross proceeds from our Public Issue, to part finance the purchase of new machineries and equipment for production of PKS in the new factories and warehouses in Johor, Kuantan and Sabah.

The details of the machineries and equipment as well as breakdown of the estimated costs are as follows:

| | Pasir Gudang, Johor | ⁽¹⁾ Kuantan, Pahang | Lahad Datu, Sabah | ⁽²⁾ Estimated costs |
|------------------------------------|------------------------------------|---|------------------------------|---|
| | (Unit) | (Unit) | (Unit) | (RM'000) |
| PKS production line ⁽²⁾ | 6 | 6 | 6 | [●] |
| Wheel loader | 2 | 2 | 2 | [●] |
| Excavator | 2 | 2 | 2 | [●] |
| Cabling / Installation charges | 1 | 1 | 1 | [●] |
| Conveyor system | 2 | 2 | 2 | [●] |
| Total | | | | [●] |

Notes:

- (1) *This site will be rented temporarily prior to completion of the New Kuantan Facility*
- (2) *The total estimated costs will be funded via the following: (i) 90% of the total cost will be funded via gross proceeds from the Public Issue; and (ii) remaining 10% of the total cost will be funded via internally generated funds and/or bank borrowings.*
- (3) *The PKS production line consists of two (2) stone removal units and four (4) screening units.*

For clarity, the estimated costs are indicative based on the suppliers' quotation procured.

We intend to purchase the abovementioned new machineries and equipment from the respective suppliers during the setting up of the factories at the respective locations after such factories are identified. The timeline for setting up the factories in Johor and Sabah are as follows:

| Timeline for new factory in Pasir Gudang, Johor | |
|--|---|
| Q2 2024 | Identification of premises to rent |
| | Procurement of the machineries and equipment |
| Q3 2024 | Expected receipt of machineries and equipment |
| | Installation of production lines |
| | Expected commencement of operations |

4. DETAILS OF OUR IPO (CONT'D)

| Timeline for new factory in Kuantan, Pahang (temporary factory while awaiting for the New Kuantan Facility to be operational) | |
|--|---|
| Q3 2024 | Identification of premises to rent |
| | Procurement of the machineries and equipment |
| Q4 2024 | Expected receipt of machineries and equipment |
| | Installation of production lines |
| | Expected commencement of operations |

| Timeline for new factory in Lahad Datu, Sabah | |
|--|---|
| Q1 2025 | Identification of premises to rent |
| | Procurement of the machineries and equipment |
| Q2 2025 | Expected receipt of machineries and equipment |
| | Installation of production lines |
| | Expected commencement of operations |

The new machineries and equipment will provide our Group with an additional production capacity for PKS of 720,000 MT annually.

Any remaining balance and excess amount required for the purchase of the new machineries and equipment will be funded by internally generated funds and/or bank borrowings. Conversely, if the actual amount for the purchase of the new machineries and equipment is lower than budgeted, the excess will be used for working capital purposes to purchase raw materials.

(3) Working capital

We intend to allocate RM[•] million, representing approximately [•]% of the gross proceeds from our Public Issue to fund our working capital requirements, which include, but are not limited to, purchase of raw materials and general administrative expenses such as staff-related costs, payroll, utilities, statutory payments and any other overhead expenditures.

The breakdown of such utilisation (on best estimate basis) for each component of the working capital are as follows:

| | RM'000 | % |
|--|---------------|---------------|
| Purchase of raw materials ⁽¹⁾ | [•] | [•] |
| General administrative expenses | [•] | [•] |
| Total | [•] | 100.00 |

Note:

(1) *The estimated purchase of raw materials is broken down to approximately 82.00% and 18.00% for the purchase of unprocessed PKS and wood residues respectively. The actual allocation depends on the operating requirement at the time of utilisation.*

The allocation on working capital requirements is in line with our Group's business plan to increase our production capacity in anticipation of growing sales from international markets which requires additional raw materials for our production.

Please refer to Section 7.20 of this Prospectus for further details on our Group's future plans and business strategies.

4. DETAILS OF OUR IPO (CONT'D)**(4) Estimated listing expenses**

An amount of RM[●] million, representing approximately [●]% of the gross proceeds from our Public Issue, 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:

| Estimated listing expenses | RM'000 |
|--|---------------|
| Professional fees ⁽¹⁾ | [●] |
| Fees payable to authorities | [●] |
| Underwriting, placement and brokerage fees | [●] |
| Printing fees and contingencies ⁽²⁾ | [●] |
| | <u>[●]</u> |

Notes:

- (1) *Includes advisory fees for, amongst others, our Principal Adviser, due diligence solicitors, Reporting Accountants, IMR and Issuing House.*
- (2) *Includes any other incidental charges or related expenses in relation to our IPO such as fees paid to translator, public or investor relation consultants, printing of Prospectus, forms and envelopes, advertisement of Prospectus, sales and service tax and funds reserved for contingency purposes.*

In the event the allocated proceeds are insufficient for our listing expenses, the shortfall will be funded from the amount allocated for our working capital requirements. Conversely, if the actual listing expenses is lower than the amount budgeted above, the excess will be allocated for our working capital requirements.

The proceeds from the Public Issue (save for the estimated listing expenses) will be placed in short-term deposits or money market instruments with licensed financial institutions until eventual utilisation.

4.7.2 Offer for Sale

The Offer for Sale will 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 for Sale, the aggregate of which is estimated to be approximately RM[●] million.

4.8 BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION**4.8.1 Brokerage fees**

Brokerage is payable in respect of our Issue Shares at the rate of [●]% 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 Malaysian Investment Banking Association in Malaysia or Issuing House.

4.8.2 Placement fees

We will be obliged to pay our Placement Agent a placement fee of [●]% of the total value of the 250,000,000 Issue Shares placed out by our Placement Agent.

The placement fee of [●]% of the total value of 350,000,000 Offer Shares placed out by our Placement Agent will be borne entirely by our Selling Shareholders.

4. DETAILS OF OUR IPO (CONT'D)

4.8.3 Underwriting commission

Our Underwriter has agreed to underwrite 100,000,000 Issue Shares made available for application by the Malaysian Public and Eligible Parties. We are obligated to pay our Underwriter an underwriting commission of [●]% of the total value of our Issue Shares underwritten at our IPO Price.

4.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with KAF IB, to underwrite 100,000,000 Issue Shares (“**Underwritten Shares**”). The following are the salient terms of the Underwriting Agreement. The capitalised terms used in this section shall have the respective meanings as ascribed thereto in the Underwriting Agreement:

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

4.10 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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