

### 3. PARTICULARS OF OUR IPO

#### 3.1 INTRODUCTION

This Prospectus is dated 21 December 2010.

We have registered a copy of this Prospectus together with the Application Forms with the SC. We have also lodged a copy of this Prospectus, together with the Application Forms with the ROC and neither the SC nor the ROC takes any responsibility for their contents.

The approval of the SC for the IPO obtained via its letter dated 26 August 2010 shall not be taken to indicate that the SC recommends the IPO. You should rely on your own evaluation to assess the merits and risks of the IPO.

We have obtained the approval from Bursa Securities for the admission to the Official List of the Main Market of Bursa Securities and for permission to deal in and the listing of and quotation for our entire enlarged issued and paid-up ordinary shares, including the IPO Shares which is subject of this Prospectus, on the Main Market of Bursa Securities. Our Shares will be admitted to the Official List of the Main Market and the official quotation will commence upon receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Acceptances of Application for the IPO Shares will be conditional upon the permission being granted by Bursa Securities to deal in and for quotation and listing of our entire issued and paid-up share capital on the Main Market of Bursa Securities. Accordingly, monies paid in respect of any application accepted from the IPO will be returned in full without interest within fourteen (14) days if the aforesaid permission for quotation is not granted within six (6) weeks from the date of issue of this Prospectus, or such longer period as may be specified by the SC, provided that we are notified by or on behalf of Bursa Securities within the aforesaid timeframe. If such monies are not repaid within the said period, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

**Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act 1991, Bursa Securities has prescribed our Shares as a prescribed security. In consequence thereof, the Shares offered through this Prospectus will be deposited with Bursa Depository and any dealings in these Shares will be carried out in accordance with the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Depository. We will not issue share certificates to successful applicants.**

Pursuant to the Listing Requirement, at least 25% of the total number of Shares in which listing is sought must be held by a minimum of 1,000 public shareholders holding not less than 100 shares each upon Listing. In the event that the above requirement is not met pursuant to the IPO, we may not be allowed to proceed with our listing on the Main Market of Bursa Securities. In such an event, monies paid in respect of all applications will be returned in full without interest.

If you are submitting your application by way of an Application Form or Electronic Share Application or Internet Share Application, you **MUST** have a CDS account. If you presently do not have a CDS account, you should open a CDS account at an ADA prior to making an application for our IPO Shares. Please refer to **Section 16** of this Prospectus for further details on the procedures for application for the IPO Shares.

In the case of an application by way of Application Form, an applicant should state his CDS account in the space provided in the Application Form. In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS account can make an Electronic Share Application and the applicant shall furnish his CDS account number to the Participating Financial Institutions by way of keying in his CDS account number if the instructions on the ATM screen at which he enters his Electronic Share Application requires him to do so.

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**3. PARTICULARS OF OUR IPO (Cont'd)**

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In the case of an application by way of Internet Share Application, the applicant can make an application only if he has a CDS account and an existing account with access to the Internet financial services facilities with the Internet Participating Financial Institutions by way of keying in his CDS account number into the online application form. A corporation or institution cannot apply for the IPO Shares by way of Electronic Share Application or Internet Share Application.

No person is authorised to give any information or make any representation not contained herein in connection with the IPO and if given or made, such information or representation must not be relied upon as having been authorised by us. Neither the delivery of this Prospectus nor any IPO made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date hereof.

Nonetheless, should we become aware of any material change or development affecting a matter disclosed in this Prospectus from the date of registration of this Prospectus with the SC up to the date of the Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

This Prospectus does not constitute and may not be used for the purpose of an invitation to subscribe for or an offer to sell any IPO Share in any jurisdiction in which such invitation or offer is not authorised or lawful or to any person to whom it is unlawful to make such an invitation or offer. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. The distribution of this Prospectus is subject to Malaysian laws and we take no responsibility for the distribution of this Prospectus outside Malaysia.

The SC and Bursa Securities assume no responsibility for the correctness of any statements made or opinion or reports expressed in this Prospectus. Admission to the Official List of the Main Market is not to be taken as an indication of the merits of our Company or our Shares.

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE IPO AND AN INVESTMENT IN US. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN DOUBT ABOUT THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

### 3. PARTICULARS OF OUR IPO (Cont'd)

#### 3.2 INDICATIVE TIMETABLE

The indicative timetable of events leading up to the listing of and quotation for our entire issued and paid-up capital are as follows:

Events	Tentative Dates
Issuance of Prospectus/Opening of the application for the IPO	21 December 2010
Closing of the application for the IPO	28 December 2010
Balloting of applications for the Issue Shares	30 December 2010
Allotment of Issue Shares to successful applicants	4 January 2011
Listing Date	6 January 2010

The timetable is tentative and subject to changes which may be necessary to facilitate the implementation plan. This issue will close at the date stated above or such later date as our Directors and OSK in their absolute discretion may mutually decide.

If the closing date of the application is extended, the dates for the balloting, allotment and listing of our entire issued and paid-up share capital on the Main Market would be extended accordingly and we will notify the public via an advertisement in a widely circulated daily English, Bahasa Malaysia and Chinese newspaper within Malaysia.

#### 3.3 PURPOSE OF OUR IPO

The main purposes of our IPO are as follows:

- (i) to achieve listing status for our Company;
- (ii) to provide an opportunity for Malaysian Investors to participate in our continuing growth by way of equity participation;
- (iii) to raise proceeds for the purposes stated in **Section 3.7** of this Prospectus; and
- (iv) to enable us to have access to the capital market for cost effective capital raising in order to give us the financial flexibility to pursue future growth opportunities.

### 3. PARTICULARS OF OUR IPO (Cont'd)

#### 3.4 DETAILS OF OUR IPO

The details of our IPO, which consists of the Public Issue are as follows:

##### 3.4.1 Public Issue

The Public Issue of 63,750,000 Shares, representing approximately 15.9% of our enlarged issued and paid-up share capital, at an issue price of RM0.54 per Share are payable in full upon application, is subject to the terms and conditions of this Prospectus and will be allotted in the following manner:

##### (i) Malaysian Public

20,000,000 Public Issue Shares, representing 5.0% of our enlarged issued and paid-up share capital will be made available for application by the Malaysian Public to be allocated via ballot.

##### (ii) Selected investors by way of private placement

43,750,000 Public Issue Shares, representing approximately 10.9% of our enlarged issued and paid-up share capital will be made available for application by way of private placement to selected investors.

All the Public Issue Shares will increase our issued and paid up share capital from 336,250,000 Shares to 400,000,000 Shares.

All the Public Issue Shares under **Section 3.4.1 (i)** above will be fully underwritten by the Underwriter.

Any of the Public Issue Shares not subscribed for under **Section 3.4.1 (i)** may be made available to selected investors via private placement. Thereafter any remaining re-offered Public Issue Shares that are not subscribed will be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

There is no minimum subscription amount to be raised from the Public Issue.

#### 3.5 SHARE CAPITAL AND RIGHTS ATTACHING TO THE ISSUE SHARES

	Number of Shares	Share Capital RM
<b>Authorised share capital</b>	<b>1,250,000,000</b>	<b>500,000,000</b>
Issued and paid-up share capital as at the date of this Prospectus	336,250,000	134,500,000
To be issued and credited pursuant to the Public Issue	63,750,000	25,500,000
<b>Enlarged issued and fully paid-up share capital upon Listing</b>	<b>400,000,000</b>	<b>160,000,000</b>
IPO Price		RM0.54 <sup>(1)</sup>
- <b>Proforma consolidated NA per Share</b> (based on the enlarged issued and paid-up share capital after the IPO and deducting the estimated listing expenses of RM6.75 million)		RM0.50
- <b>Market capitalisation</b> (based on the IPO Price and enlarged issued and paid-up share capital after Listing)		RM216,000,000

### 3. PARTICULARS OF OUR IPO (Cont'd)

**Note:-**

<sup>iii</sup> The IPO Price of RM0.54 per IPO Share is based on amongst other factors disclosed in **Section 3.6** of this Prospectus, a net PE Multiple of approximately 3.0 times computed based on the proforma consolidated PAT of our Group for the FYE 2009, and the number of Shares in issue prior to the Public Issue of 336,250,000 Shares.

Our market capitalisation upon Listing based on the IPO Price and our enlarged issued share capital of 400,000,000 Shares amounts to RM216,000,000. The IPO Price is payable in full upon the Application subject to the terms and conditions of this Prospectus. The board lot size of our enlarged issued and paid-up share capital upon Listing will be standardised to 100 units per board lot.

We have only one (1) class of shares, being ordinary shares of RM0.40 each. Upon allotment and issuance, the IPO Shares shall rank *pari passu* in all respect with our existing issued and paid-up ordinary Shares, including voting rights, entitlement to all rights and any dividend distribution that may be declared subsequent to the date of allotment and issue of the IPO Shares.

Upon allotment and issue, and subject to any special rights attaching to any Shares that we may issue 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 profits paid-out by us in the form of dividends and other distributions and any surplus in the event of our liquidation, in accordance with our Company's Articles of Association.

At any of our general meeting, each of our shareholders shall be entitled to vote in person or by proxy, and on a show of hands, every shareholder present in person or by proxy or in the case of a shareholder being a corporation, by its duly authorised representative shall have one (1) vote and on a poll, every one of our shareholders present in person or by proxy or in the case of a shareholder being a corporation, by its duly authorised representative shall have one (1) vote for each share held by him or which he represents. A proxy may but need not be a member of our Group.

#### 3.6 BASIS OF ARRIVING AT THE IPO PRICE

The IPO price of RM0.54 per Share was determined and agreed upon by our Directors and OSK as the Adviser, Underwriter and Placement Agent, after taking into consideration the following factors:

- (i) our Group's operating and financial history and position as outlined in **Sections 6** and **7** of this Prospectus;
- (ii) our Group's net EPS of approximately RM0.18 sen for FYE 2009 based on the number of Shares in issue prior to our Public Issue of 336,250,000 Shares and our net PE Multiple of approximately 3.0 times;
- (iii) our proforma consolidated NA per Share after the IPO of approximately RM0.50 computed based on the consolidated NA of approximately RM198.4 million as at 30 June 2010 and the enlarged issued and paid-up share capital of 400,000,000 Shares;
- (iv) future plans and prospects of our Group as outlined in **Section 5.12** of this Prospectus; and
- (v) the overview and prospects of the industry of which our Group operates in as set out in **Section 5** of this Prospectus.

Our Directors and OSK are of the opinion that the IPO Price is fair and reasonable after careful consideration of the abovementioned factors.

### 3. PARTICULARS OF OUR IPO (Cont'd)

However, you should note that the market prices of our Shares upon and subsequent to the listing on the Main Market of Bursa Securities are subject to vagaries of the market forces and other uncertainties, which may affect the price of Shares being traded. You should also bear in mind the risk factors set out in **Section 4** of this Prospectus before deciding on whether or not to invest in our Shares.

#### 3.7 UTILISATION OF PROCEEDS

We expect the total gross proceeds from the Public Issue to amount to approximately RM34.43 million based on the issue price of RM0.54. The proceeds shall come to us and we shall bear all expenses relating to the listing of and quotation for our entire issued and paid-up share capital on the Main Market of Bursa Securities.

We expect the proceeds to be utilised in the following manner:-

	Estimated timeframe for utilisation	Amount RM'000
Expansion of our production capacity and upgrading of existing production facilities <sup>(1)</sup>	24 months	12,000
Increase our product D&D efforts and expansion of product range <sup>(2)</sup>	12 months	6,000
Working capital purposes <sup>(3)</sup>	12 months	9,675
Estimated listing expenses <sup>(4)</sup>	Upon Listing	6,750
<b>Gross proceeds</b>		<b>34,425</b>

**Notes:**

<sup>(1)</sup> Part of the proceeds will be utilised for the expansion of production capacity which includes the purchase of four (4) production lines, sewing machines, roller machines, cutting machines and grinding machines. The acquisition of the new production lines are expected to further increase our production capacity from 8 million pairs of sports shoes per annum to 16 million pairs of sports shoes per annum operating on a two-shift basis in order to meet the anticipated increase in market demand for our sports shoes in the PRC and overseas markets. Further, the proceeds will also be used for upgrading of our existing production facilities through the purchase of new machineries and equipment which include testing machines, moulding and embossing machines, sewing and embroidery machines, mixing mills and trimming machines. The breakdown of the utilisation is as follows:-

	RM'000
<b>Expansion of production capacity</b>	
- 4 production lines	5,100
- Ancillary machineries	3,600
<b>Sub-total</b>	<b>8,700</b>
<b>Upgrading of existing production facilities</b>	
- New machineries and equipment	3,300
<b>TOTAL</b>	<b>12,000</b>

Please also refer to **Section 5.12** of this Prospectus for more details.

<sup>(2)</sup> Our Company intends to further strengthen our D&D capabilities. We intend to invest in new equipment and machineries such as upgrading of the current information system with advanced functionality and computer-aided design (CAD) platforms, new testing machines, infrared heating system and to recruit experienced sports shoe designers. The breakdown of the utilisation is as follows:-

	RM'000
Purchase of D&D machineries and equipment*	3,600
D&D expenses <sup>®</sup>	1,100
Recruitment of D&D staff <sup>®</sup>	1,300
<b>TOTAL</b>	<b>6,000</b>

**3. PARTICULARS OF OUR IPO (Cont'd)**

\* The details of the D&D machineries and equipment are as follows:-

	<b>Estimated cost RM'000</b>
Machineries and equipment mainly for the production of the sports shoe prototypes (including computer-controlled infrared heating system, computer-controlled toe-lasting machine and sole attaching machine and other ancillary machines)	1,700
Testing equipment (including Folding Testar, Abrasion tester, compression testing machine, heel impact testing machine, bending test machine, freezing bending test machine, waterproof bending test machine, mechanics of human motion tester and others)	1,000
CAD and ancillary software (including computer cutting board machine, computer grading system and computer costing system)	900
<b>TOTAL</b>	<b>3,600</b>

In order to keep up with the rapid changes in the sports shoe industry, we need to continually improve the quality, variety and functionality of our sports shoes. As such, part of our proceeds is intended to be allocated for the purchase of new machineries and equipment to facilitate our product D&D efforts. The purchase of new machineries and equipments is expected to contribute positively towards our revenue and profitability.

② Out of RM1.1 million allocated for the D&D expenses, we intend to utilise RM0.5 million for the sourcing of new materials for sport shoes in order to expand our product range. The remaining balance is intended to be utilised for the purchase of consumables for product prototypes and remuneration costs of our D&D staff which is fairly consistent with our existing D&D expenses of approximately RM0.7 million and RM0.5 million incurred in FYE 2008 and FYE 2009 respectively. Please refer to Section 6.10.4 of this Prospectus for the historical D&D expenses incurred during the Financial Period under Review.

\* Out of RM1.3 million allocated for the recruitment of D&D staff, we intend to utilise approximately RM1.1 million to recruit more experienced sports shoe designers in order to enhance our D&D capabilities and expand our product range for customer selection (the estimated annual salary for each experienced sports shoe designer is about RM0.55 million). Our Group believes the enhancement in our D&D capabilities will help our Group to secure more customer orders and contribute positively to our revenue and profitability.

In the event that the actual expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual expenses are lower than budgeted, the excess will be utilized for working capital purposes, upon expiry of the estimated timeframe for utilisation and such utilisation will be announced via Bursa Securities.

(3) Part of the proceeds will be used for our Group's working capital which includes the purchase of raw material for the manufacturing of sports shoes and payment of labour cost/staff salaries. Our Group expects our daily working capital requirements / expenditure to increase in line with the growth of our business.

(4) The estimated listing expenses are as follows:

	<b>RM'000</b>
Professional fees	2,800
Fees to authorities	190
Estimated underwriting, placement and brokerage fees	2,600
Printing, advertising and issuing house fees	560
Contingencies	600
<b>Total</b>	<b>6,750</b>

Any difference arising from the proposed utilisation as set out above will be adjusted accordingly to our working capital requirements.

All listing expenses will be borne by our Company.

Pending the eventual utilisation of the proceeds from the Public Issue for the above purposes, the proceeds would be placed in deposits with financial institutions or short-term money market instruments.

**3. PARTICULARS OF OUR IPO (Cont'd)****3.8 DILUTION**

Dilution is computed as the difference between the Issue Price paid by the applicants for our Issue Shares and the proforma consolidated NA per Share of our Group immediately after the IPO.

Pursuant to the Public Issue in respect of 63,750,000 new Shares respectively at the Issue Price of RM0.54, our proforma NA per Share after the IPO and after taking into consideration the listing expenses based on the enlarged issued and paid-up share capital of 400,000,000 Shares would have been RM0.50. This represents an immediate dilution in the NA per Share of our Group of RM0.04, representing approximately 7.4% of the Issue Price to new public investors. The following table illustrates such dilution on a per Share basis:-

	RM
Issue Price	0.54
NA per Share as at 30 June 2010	0.51
Decrease in NA per Share attributable to the existing shareholders	0.01
NA per Share after the IPO	0.50
<b>Dilution in NA per Share to new public investors<sup>^</sup></b>	<b>0.04</b>
<b>Dilution in NA per Share to new public investors as a percentage of the Issue Price</b>	<b>7.4%</b>

*Note:-*

<sup>^</sup> After taking into consideration the effect of the utilisation of the proceeds received and the listing expenses pursuant to the Listing.

The following table summarises the total number of Shares received by the substantial shareholders or person(s) connected during the past three (3) years prior to the date of this Prospectus, including the total consideration paid by them pursuant to the IPO:-

	Number of Shares	Total consideration RM	Average price per Share RM
<b>Promoter and substantial shareholder</b>			
Li Kwai Chun <sup>(1)</sup>	233,333,193	93,333,277	0.40
<b>Other substantial shareholder and person connected</b>			
OSKTV	28,867,761	9,526,500	0.33
OSK Labuan Sdn Bhd <sup>(2)</sup>	14,768,200	4,873,500	0.33
New investors pursuant to the Public Issue	63,750,000	34,425,000	0.54

*Notes:-*

<sup>(1)</sup> Computed based on the purchase consideration of the Acquisition pursuant to the restructuring agreement dated 18 November 2009. Subsequently on 8 December 2009, Li Kwei Chun disposed of 15,055,147 Shares to EV Capital Private Limited, Teo Kien Huet and Ng Der Sian, collectively.

<sup>(2)</sup> The shareholdings of OSK Labuan Sdn Bhd held via OSK Nominees (Tempaten) Sdn Bhd.



### 3. PARTICULARS OF OUR IPO (Cont'd)

Apart from the Maxwell Shares received by the substantial shareholders pursuant to the restructuring agreement dated 18 November 2009 and an equity transfer agreement dated 20 November 2009 above, there is no acquisition of any existing equity securities in Maxwell Group by the key management, substantial shareholders or persons connected with them during the past three years, or which they have the right to acquire.

#### 3.9 BROKERAGE, PLACEMENT FEES AND UNDERWRITING COMMISSION

##### 3.9.1 Brokerage

Brokerage fees is payable by us in respect of the Public Issue Shares at the rate of 1% of the Issue Price in respect of successful applications which bear the stamps of OSK, member companies of Bursa Securities, members of the Association of Banks in Malaysia, members of Malaysian Investment Banking Association and/or MIH.

##### 3.9.2 Placement Fees

The placement fees is payable by our Company to the Placement Agent at a placement commission of up to 3.5% of the Issue Price for each Public Issue Shares placed.

##### 3.9.3 Underwriting Commission

We had entered into a conditional underwriting agreement with OSK on 14 October 2010 ("Underwriting Agreement") to underwrite 20,000,000 Public Issue Shares available for application by the Malaysian Public ("Underwritten Shares").

The underwriting commission is payable by our Company at a rate of 3.5% of the IPO price of RM0.54 for the 20,000,000 Public Issue Share underwritten.

#### 3.10 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We had on 14 October 2010 entered into an Underwriting Agreement with OSK, whereby OSK had agreed to underwrite the Issue Shares at the Issue Price based on some of the salient terms set out below.

The following terms are reproduced from the Underwriting Agreement. Unless otherwise stated, the capitalised terms and numbering references used in this section shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement:-

- (i) *Pursuant to Clause 4.1 of the Underwriting Agreement, the obligations of the Underwriter to underwrite the Underwritten Shares is conditional upon, inter alia, the following: -*
  - (a) *the acceptance for registration with the SC and the lodgement with the Companies Commission of Malaysia respectively of the Prospectus together with copies of all documents required under Section 42 of the Act prior to the issuance of the Prospectus to the public;*
  - (b) *the issuance of the Prospectus (including advertisement of the Prospectus and all other procedures, requirements, letters and documents) required under Section 42 of the Act to the public within three (3) months from the date hereof or such extension as consented by the Underwriter;*

**3. PARTICULARS OF OUR IPO (Cont'd)**

- (c) *the Underwriter receiving a certificate in the form or substantially in the form contained in Second Schedule (Certificate by Company) of this Agreement, one dated the date of registration of the Prospectus and the other dated the Closing Date, both of which are to be signed by the Director of the Company (on behalf of the Board) stating that, to the best of his knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Clause 3 (Representations, Warranties and Undertakings) of this Agreement and being provided with the reports or confirmation and being satisfied at the date of registration of the Prospectus and Closing Date respectively that: (i) there has not occurred any material change or any development likely to result in a material adverse change in the financial position, business operations or conditions (financial or otherwise) of the Group taken as a whole subsequent to the date of this Agreement; or (ii) there has not occurred any event or the discovery of any facts or circumstances which would render any representations, warranties or undertakings in Clause 3 (Representations, Warranties and Undertakings) materially untrue or inaccurate or result in a material breach of this Agreement by the Company;*
- (d) *the issue, offering and subscription of the Public Issue Shares in accordance with the provisions hereof and the Prospectus not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);*
- (e) *all necessary approvals and consents required in relation to the Public Issue including but not limited to governmental approvals having been obtained and are in full force and effect and that all conditions to the approvals (except for which can only be complied with after the Public Issue has been completed) have been complied with;*
- (f) *the Underwriter being satisfied that the Company will, following completion of the Public Issue be admitted to the Official List and its issued and paid-up share capital listed and quoted on the Main Board without undue delay;*
- (g) *the Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 13;*
- (h) *the delivery to the Underwriter prior to the date of registration of the Prospectus of (i) a copy certified as a true copy by an authorised officer of the Company of all the resolutions of the Directors of the Company and the shareholders in general meeting approving this Agreement, the Prospectus, the Public Issue and authorising the execution of this Agreement and the issuance of the Prospectus; (ii) a certificate dated the date of the Prospectus signed by duly authorised officers of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Clause 4.1(c); and*
- (i) *the Underwriter being satisfied that the FTSE Bursa Malaysia Kuala Lumpur Composite Index has not fallen below 1,100 points and has not stayed below 1,100 points for three (3) consecutive Market Days prior to or up to the Closing Date.*

**3. PARTICULARS OF OUR IPO (Cont'd)**

- (ii) *In the event any of the conditions set forth in Clause 4.1 are not satisfied by the Closing Date, the Underwriter shall thereupon be entitled but not bound to terminate this Agreement by notice given to the Company not later than three (3) market days after the Closing Date and upon such termination the Company and the Underwriter shall be released and discharged from their obligations save for the Company's obligations pursuant to Clause 3.3 and 13 and neither party shall have a claim against the other save for antecedent breaches by the Company and claims arising therefrom. Each party shall in such event return any and all moneys paid to the other under this Agreement within seventy-two (72) hours of the receipt of such notice (except for monies paid by the Company for the payment of the expenses as provided in Clause 13). The Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Underwriter's rights under this Agreement.*
- (iii) *Pursuant to Clause 14.1 of the Underwriting Agreement, notwithstanding anything herein contained, the Underwriter may by notice in writing to the Company given at any time on or before the allotment and issuance of the Public Issue Shares, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if: -*
- (a) *there is any breach by the Company of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from the Underwriter, which is required to be disclosed pursuant to this Agreement which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Company's Group, the success of the Public Issue, or the distribution of the Public Issue Shares; or*
  - (b) *there is withholding of information of a material nature from the Underwriter, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Company's group and the success of the Public Issue, or the distribution of the Public Issue Shares; or*
  - (c) *there shall have occurred, happened or come into effect in the opinion of the Underwriter any material and/or adverse change to the business or financial condition of the Group; or*
  - (d) *there shall have occurred, happened or come into effect any of the following circumstances: -*
    - *any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or*

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- *any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Company and/or the Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); which, (in the reasonable opinion of the Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of the Group and the success of the Public Issue, or the distribution of the Public Issue Shares, or which has or is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms; or*
  - *if in the reasonable opinion of the Underwriter that the success of the Public Issue is seriously and/or materially jeopardised by the FTSE Bursa Malaysia Kuala Lumpur Composite Index falling below 1,100 points and remaining below 1,100 points for three (3) consecutive Market Days at any time between the date of this Agreement and up to and including the Closing Date; or*
  - *in the event of national disorder, outbreak of war or the declaration of a state of national emergency;*
- (e) *there is failure on the part of the Company to perform any of their respective obligations herein contained; or*
- (f) *any matter which arose immediately before the date of the Prospectus would have constituted a material and adverse omission in the context of the Public Issue; or*
- (g) *any event, act or omission which gives or is likely to give rise to any liability which will have a material and adverse effect on the Company pursuant to the indemnities contained under this Agreement.*
- (iv) *Pursuant to Clause 14.2 of the Underwriting Agreement, upon such notice(s) being given under Clause 14.1, the Underwriter shall be released and discharged of its obligations without prejudice to its rights whereby this Agreement shall be of no further force or effect and no party shall be under any liability to any other in respect of this Agreement, except that the Company shall remain liable in respect of its obligations and liabilities for the payment of the Underwriting Commission pursuant to Clause 11.2 hereof, costs and expenses already incurred prior to or in connection with such termination, including for the payment of any taxes, duties or levies or such outstanding fees pursuant to Clause 11.3 hereof, and for any antecedent breach, and its undertaking to indemnify the Underwriter pursuant to the provisions of Clause 3.3.*