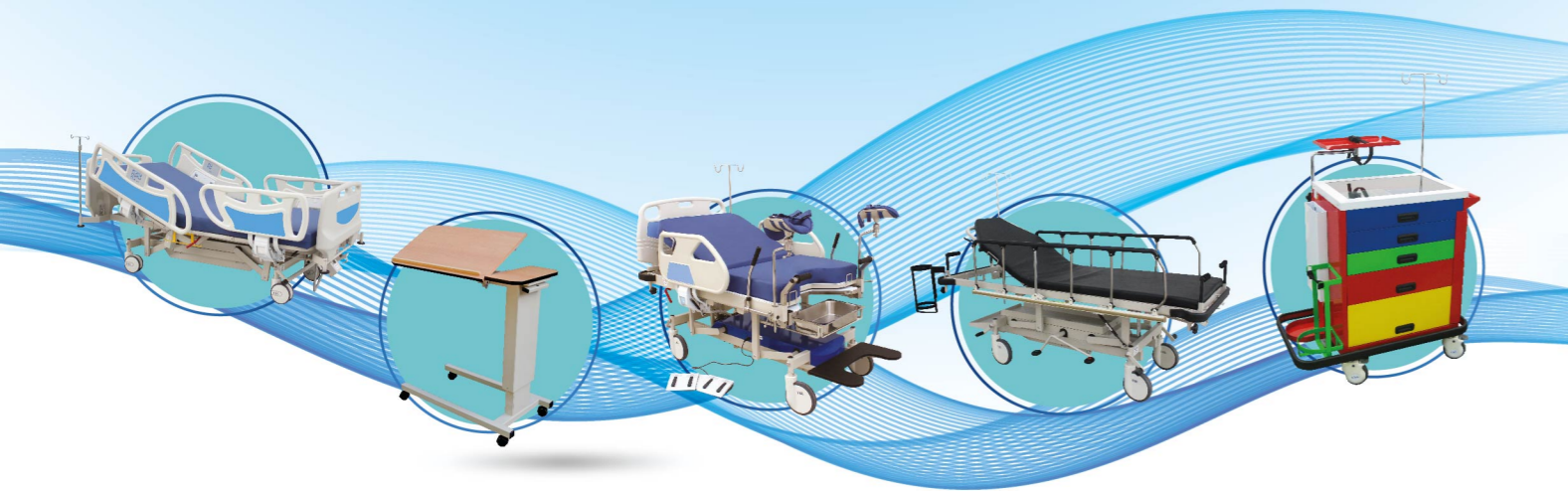


www.lklbeds.com



LKL INTERNATIONAL BERHAD
(Company No. 1140005-V)
(Incorporated in Malaysia under the Companies Act, 1965)

Head Office:
Wisma LKL
No 3, Jalan BS 7/18
Kawasan Perindustrian Bukit Serdang
Seksyen 7, 43300 Seri Kembangan
Selangor Darul Ehsan, Malaysia
Tel : +603 8948 2990

PROSPECTUS

LKL INTERNATIONAL BERHAD (Company No. 1140005-V)



LKL INTERNATIONAL BERHAD
(Company No. 1140005-V)
(Incorporated in Malaysia under the Companies Act, 1965)



PROSPECTUS

*Principal Adviser, Sponsor, Sole Underwriter And
Placement Agent*

 **ALLIANCE INVESTMENT BANK**
Alliance Investment Bank Berhad (21605-D)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

INITIAL PUBLIC OFFERING ("IPO") IN CONJUNCTION WITH THE LISTING OF LKL INTERNATIONAL BERHAD ("LKL INTERNATIONAL") ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING PUBLIC ISSUE OF 113,000,000 NEW ORDINARY SHARES OF RM0.10 EACH ("SHARES") IN THE FOLLOWING MANNER:-

- 8,000,000 NEW SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 13,200,000 NEW SHARES MADE AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;
- 42,200,000 NEW SHARES MADE AVAILABLE BY WAY OF PLACEMENT TO SELECTED INVESTORS; AND
- 49,600,000 NEW SHARES MADE AVAILABLE BY WAY OF PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY;

AT AN ISSUE PRICE OF RM0.20 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 4 OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO NOTE THAT COMPANIES LISTED ON THE ACE MARKET OF BURSA SECURITIES MAY BE OF HIGH INVESTMENT RISK.

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE OF MALAYSIA.

THIS PROSPECTUS IS DATED 26 APRIL 2016

RESPONSIBILITY STATEMENTS

OUR DIRECTORS AND PROMOTERS (AS DEFINED HEREIN) HAVE SEEN AND APPROVED THIS PROSPECTUS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE IS NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS PROSPECTUS FALSE OR MISLEADING.

ALLIANCE INVESTMENT BANK BERHAD (“AIBB”), BEING THE PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND PLACEMENT AGENT, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE IPO.

STATEMENT OF DISCLAIMER

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION MALAYSIA (“SC”). THE REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE IPO AND THE INVESTMENT IN OUR COMPANY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

APPROVAL HAS BEEN OBTAINED FROM BURSA SECURITIES FOR THE LISTING OF AND QUOTATION FOR THE SECURITIES BEING OFFERED. ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, OUR COMPANY OR OUR SECURITIES.

BURSA SECURITIES SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

A COPY OF THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORMS (AS DEFINED HEREIN), HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES, WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

OTHER STATEMENTS

COMPANIES LISTED ON THE ACE MARKET OF BURSA SECURITIES MAY HAVE A LIMITED OPERATING HISTORY OR MAY NOT HAVE ANY PROFIT TRACK RECORD PRIOR TO LISTING. SUCH COMPANIES MAY BE OF HIGH INVESTMENT RISK. AS WITH ALL INVESTMENTS, YOU SHOULD BE AWARE OF ALL POTENTIAL RISKS IN INVESTING IN SUCH COMPANIES AND SHOULD MAKE THE DECISION TO INVEST AFTER GIVING DUE AND CAREFUL CONSIDERATION BY REFERRING TO, AMONGST OTHERS, THIS PROSPECTUS, OUR LATEST FINANCIAL STATEMENTS AND CORPORATE ANNOUNCEMENTS, IF ANY. YOU ARE STRONGLY RECOMMENDED TO SEEK ADVICE FROM A SECURITIES PROFESSIONAL OR ADVISER.

THIS IPO IS AN EXEMPT TRANSACTION UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("CMSA") AND IS THEREFORE NOT SUBJECT TO THE APPROVAL OF THE SC.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE IPO FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, FOR EXAMPLE, DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THIS PROSPECTUS HAS NOT BEEN AND WILL NOT BE MADE TO COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA, AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR WITH OR BY ANY REGULATORY AUTHORITY OR OTHER RELEVANT BODY OF ANY JURISDICTION OTHER THAN MALAYSIA.

WE WILL NOT, PRIOR TO ACTING ON ANY ACCEPTANCE IN RESPECT OF THE IPO, MAKE OR BE BOUND TO MAKE ANY ENQUIRY AS TO WHETHER YOU HAVE A REGISTERED ADDRESS IN MALAYSIA AND WILL NOT ACCEPT OR BE DEEMED TO ACCEPT ANY LIABILITY IN RELATION THERETO WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION THEREWITH.

THIS PROSPECTUS IS PREPARED AND PUBLISHED SOLELY FOR THE IPO IN MALAYSIA UNDER THE LAWS OF MALAYSIA. OUR SHARES ARE ISSUED IN MALAYSIA SOLELY BASED ON THE CONTENTS OF THIS PROSPECTUS. OUR BOARD, PROMOTERS, PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND PLACEMENT AGENT TAKE NO RESPONSIBILITY FOR THE DISTRIBUTION OF THIS PROSPECTUS (IN PRELIMINARY OR FINAL FORM) OUTSIDE MALAYSIA. OUR BOARD, PROMOTERS, PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND PLACEMENT AGENT HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THIS PROSPECTUS.

IT SHALL BE YOUR SOLE RESPONSIBILITY, IF YOU ARE OR MAY BE SUBJECT TO THE LAWS OF ANY COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS AS TO WHETHER YOUR APPLICATION FOR THE IPO WOULD RESULT IN THE CONTRAVENTION OF ANY LAWS OF SUCH COUNTRIES OR JURISDICTIONS. NEITHER WE NOR OUR PRINCIPAL ADVISER NOR ANY OTHER ADVISER IN RELATION TO THE IPO SHALL ACCEPT ANY RESPONSIBILITY OR LIABILITY IN THE EVENT THAT ANY APPLICATION MADE BY YOU SHALL BECOME ILLEGAL, UNENFORCEABLE, AVOIDABLE OR VOID IN ANY SUCH COUNTRY OR JURISDICTION.

FURTHER, IT SHALL BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT YOUR APPLICATION FOR THE IPO WOULD BE IN COMPLIANCE WITH THE TERMS OF THE IPO AND WOULD NOT BE IN CONTRAVENTION OF ANY LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED TO. WE WILL FURTHER ASSUME THAT YOU HAD ACCEPTED THE IPO IN MALAYSIA AND WILL BE SUBJECT ONLY TO THE LAWS OF MALAYSIA IN CONNECTION THEREWITH.

HOWEVER, WE RESERVE THE RIGHT, IN OUR ABSOLUTE DISCRETION TO TREAT ANY ACCEPTANCES AS INVALID IF WE BELIEVE THAT SUCH ACCEPTANCE MAY VIOLATE ANY LAW OR APPLICABLE LEGAL OR REGULATORY REQUIREMENTS.

ELECTRONIC PROSPECTUS

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT www.bursamalaysia.com. THE CONTENTS OF THE ELECTRONIC PROSPECTUS ARE AS PER THE CONTENTS OF THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC.

YOU MAY ALSO OBTAIN A COPY OF THE ELECTRONIC PROSPECTUS FROM THE WEBSITES OF AFFIN BANK BERHAD AT www.affinOnline.com, AFFIN HWANG INVESTMENT BANK BERHAD AT trade.affinhwang.com, CIMB BANK BERHAD AT www.cimbclicks.com.my, CIMB INVESTMENT BANK BERHAD AT www.eipocimb.com, MALAYAN BANKING BERHAD AT www.maybank2u.com.my, PUBLIC BANK BERHAD AT www.pbebank.com AND RHB BANK BERHAD AT www.rhbgroup.com.

YOU ARE ADVISED THAT THE INTERNET IS NOT A FULLY SECURED MEDIUM, AND THAT YOUR INTERNET SHARE APPLICATION (AS DEFINED HEREIN) IS SUBJECT TO THE RISK OF PROBLEMS OCCURRING DURING DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS (AS DEFINED HEREIN). THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

IF YOU ARE IN DOUBT AS TO THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US, OUR ADVISER OR THE ISSUING HOUSE, A PAPER/PRINTED COPY OF THIS PROSPECTUS.

IN THE EVENT OF ANY DISCREPANCIES ARISING BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS FOR ANY REASON WHATSOEVER, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS, WHICH IS IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC, SHALL PREVAIL.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD PARTY INTERNET SITES ("**THIRD PARTY INTERNET SITES**"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:-

- (I) WE AND OUR PRINCIPAL ADVISER DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY WITH THE THIRD PARTY INTERNET SITES AND ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF, OR THE CONTENTS OR ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES. YOU SHALL BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES;
- (II) WE AND OUR PRINCIPAL ADVISER ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, FOR FULFILLING ANY OF THE TERMS OF YOUR AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE AND OUR PRINCIPAL ADVISER ARE ALSO NOT RESPONSIBLE FOR ANY LOSS, DAMAGE OR COST THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD PARTY INTERNET SITES OR THE USE OF OR RELIANCE ON ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED BY SUCH PARTIES; AND
- (III) ANY DATA, INFORMATION, FILES OR OTHER MATERIAL DOWNLOADED FROM THE THIRD PARTY INTERNET SITES IS AT YOUR OWN DISCRETION AND RISK. WE AND OUR PRINCIPAL ADVISER ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS, YOU ARE ADVISED THAT:-

- (I) THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS ARE LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS SITUATED ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS SHALL NOT BE RESPONSIBLE IN ANY WAY FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN DOWNLOADED OR OTHERWISE OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS AND THEREAFTER COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES; AND

- (II) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED AS THE INTERNET IS NOT A FULLY SECURED MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS SHALL NOT BE LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COST, YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT OR FAULTS WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT OR FAULTS ON YOUR OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS, AND/OR PROBLEMS OCCURING DURING DATA TRANSMISSION, WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

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INDICATIVE TIMETABLE

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

Event(s)	Tentative Date(s)
Issuance of this Prospectus/Opening of the application period for the IPO	26 April 2016
Closing of the application period for the IPO	4 May 2016
Balloting of the Applications for the Issue Shares	6 May 2016
Allotment of Issue Shares to successful applicants	12 May 2016
Listing date	16 May 2016

This timetable is tentative and is subject to changes which may be necessary to facilitate the implementation procedures. The application period for the IPO will close at the date stated above or such further period or periods as our Directors, together with the Sole Underwriter, in their absolute discretion may mutually decide.

In the event the closing date of the application period is extended, we will advertise the notice of the extension in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia prior to the original closing date of the application period. Following this, we will extend the dates for the balloting of the Applications, allotment of Issue Shares and Listing accordingly.

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PRESENTATION OF INFORMATION

All references to “our Company” or “LKL International” in this Prospectus are to LKL International Berhad, while references to “our Group” are to our Company and our subsidiary. References to “we”, “us”, “our” and “ourselves” are to our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “Management” are to our Executive Directors and our key management personnel as disclosed in this Prospectus and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Certain abbreviations, acronyms and technical terms used are defined in the “Definitions” section of this Prospectus. Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include companies and corporations.

In this Prospectus, references to the “Government” are to the Government of Malaysia; and references to “RM” and “sen” are to the lawful currency of Malaysia. The word “approximately” used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest hundredth or two (2) decimal places. Any discrepancies in the tables included herein between the amounts listed and the total thereof are due to rounding.

Unless otherwise stated, any reference to dates and times in this Prospectus shall be a reference to dates and times in Malaysia.

Any reference to any enactment in this Prospectus shall be a reference to that enactment as for the time being or amended or re-enacted.

This Prospectus includes statistical data provided by our Management and various third parties and cites third party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from us.

In particular, certain information in this Prospectus is extracted or derived from the IMR Report prepared by Smith Zander (as defined herein), an independent market research company. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate. However, neither we nor our Principal Adviser have independently verified these data. Neither we nor our Principal Adviser make any representation as to the correctness, accuracy or completeness of such data, hence accordingly, you should not place undue reliance on the statistical data cited in this Prospectus. Similarly, third party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We give no assurance that the projected figures will be achieved and you should not place undue reliance on the third party projections cited in this Prospectus.

The information on our website or any website, directly or indirectly, linked to such website does not form part of this Prospectus and you should not rely on it. If there is any discrepancy between the contents of such website relating to our Group and this Prospectus, the information contained in this Prospectus shall prevail.

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements, which include all statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our Group's financial position, business strategies, plans and objectives of our Management for future operations. Some of these statements can be identified by words that have a bias towards or are forward-looking such as "may", "will", "would", "could", "believe", "expect", "anticipate", "estimate", "aim", "plan", "forecast", "project" or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our Group's control that could cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, statements relating to:-

- (i) demand of our products and services;
- (ii) our business strategies;
- (iii) our plans and objectives for future operations;
- (iv) our financial position; and
- (v) our future earnings, cash flows and liquidity.

Such forward-looking statements are based on numerous assumptions regarding our Group's present and future business strategies and the environment in which our Group operates. Additional factors that could cause our Group's actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 4 – Risk Factors and Section 11.4 – Management's Discussion and Analysis of Financial Conditions, Results of Operations and Prospects, of this Prospectus. We cannot assure you that the forward-looking statements in this Prospectus will be realised.

These forward-looking statements are based on information available to us as at the date of this Prospectus. Unless otherwise required pursuant to the provisions of Section 238 of the CMAA, we expressly disclaim any obligation or undertaking to release publicly any update or revision to any forward-looking statements contained in this Prospectus to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

You will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward looking statements, where available, that are contained herein.

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DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the definitions are defined otherwise or the context requires otherwise:-

2D	:	Two (2)-dimensional
3D	:	Three (3)-dimensional
Act	:	Companies Act, 1965
Acquisition of Advance Metaltech LKL	:	Acquisition by LKL International of the entire issued and paid-up share capital of LKL Advance Metaltech, amounting to RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each in LKL Advance Metaltech for a purchase consideration of RM31,579,990 satisfied by the issuance of 315,799,900 LKL International Shares at par. The acquisition of LKL Advance Metaltech was completed on 10 March 2016
ADA	:	Authorised Depository Agent
Agents	:	In this Prospectus, agents are typically intermediary companies who work with hospitals and medical centres to source and purchase our medical/healthcare beds, peripherals and accessories. In this scenario, the identity of the end-user customers is known to us and we may deliver directly to the end-user customers. There are no contractual agreements between the Company and these agents in respect of geographical/customer restriction and payment/commission arrangements. Orders are made via purchase orders and agents do not receive commission from us. Please refer to Section 5.7.8 of this Prospectus for further information on the mode of sales by agents
AIBB	:	Alliance Investment Bank Berhad (21605-D)
APHM	:	Association of Private Hospital of Malaysia
Application(s)	:	The application(s) for the Issue Shares by way of Application Form, Electronic Share Application and/or Internet Share Application
Application Form(s)	:	The printed application form(s) for the application of the Issue Shares
ATM	:	Automated Teller Machine
AUD	:	Australian dollar
Board	:	The Board of Directors of LKL International
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CAB	:	Conformity Assessment Bodies
CAD	:	Computer-aided design
CAGR	:	Compound annual growth rate
CAM	:	Computer-aided manufacturing
CCC	:	Certificate of Completion and Compliance
CCU	:	Critical care unit

DEFINITIONS (Cont'd)

CDS	:	Central Depository System
CDS Account(s)	:	Account(s) established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
CE	:	Conformité Européene, meaning "European Conformity"
Central Depositories Act	:	Securities Industry (Central Depositories) Act, 1991
Co-Founder(s)	:	Lim Kon Lian and Mok Mei Lan, collectively
CMSA	:	Capital Markets and Services Act, 2007
CNC	:	Computer numerical control
CPR	:	Cardiopulmonary resuscitation
Depositor	:	A holder of a CDS Account
Director(s)	:	Director(s) of our Company and shall have the meaning given in Section 2 of the CMSA
Distributors	:	In this Prospectus, distributors are typically traders who purchase our products for onward sales to customers. In this scenario, we are unable to identify the end-user customers. There are no contractual agreements between the Company and these distributors in respect of geographical/customer restriction (save for some overseas distributors who are geographically restricted due to country regulations) and payment/commission arrangements. Orders are made via purchase orders and distributors do not receive commission from us. Please refer to Section 5.7.8 of this Prospectus for further information on the mode of sales by distributors
EBITDA	:	Earnings before interest, taxes, depreciation and amortisation
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory)
Electronic Share Application	:	An application for the Issue Shares through Participating Financial Institutions' ATM
EPP	:	Entry Point Project
EPS	:	Earnings per share
ETP	:	Economic Transformation Programme
EU	:	European Union
EUR	:	Euro Dollar
Executive Director	:	A natural person who holds a directorship in an executive capacity in any company within our Group and is on the payroll of that company
Factory Lot No. 1	:	A double-storey detached factory used as an office, manufacturing plant and warehouse bearing the postal address of No. 1, Jalan BS7/18, Kawasan Perindustrian Bukit Serdang, Seksyen 7, 43300 Seri Kembangan, Selangor Darul Ehsan

DEFINITIONS (Cont'd)

Factory Lot No. 3	:	A double-storey detached factory used as an office and manufacturing plant bearing the postal address of No. 3, Jalan BS 7/18, Kawasan Perindustrian Bukit Serdang, Seksyen 7, 43300 Seri Kembangan, Selangor Darul Ehsan
Factory Lot No. 12	:	An intermediate double-storey terrace industrial unit used as a manufacturing plant and storage bearing the postal address of No. 12, Perindustrian BS 9, Jalan BS 9/10, Taman Bukit Serdang, 43300 Seri Kembangan, Selangor Darul Ehsan
Factory Lot No. 12A	:	An intermediate double-storey terrace industrial unit used as a manufacturing plant and storage bearing the postal address of No. 12A, Perindustrian BS 9, Jalan BS 9/10, Taman Bukit Serdang, 43300 Seri Kembangan, Selangor Darul Ehsan
Factory Lot No. 15	:	An intermediate semi-detached one and a half (1½)-storey factory used as a manufacturing plant and warehouse bearing the postal address of No. 15, Jalan BS 7/20, Taman Perindustrian Bukit Serdang, Sek. 7, 43300 Seri Kembangan, Selangor Darul Ehsan
Factory Lot No. 16	:	An intermediate double-storey terrace industrial unit used as a manufacturing plant and storage bearing the postal address of No. 16, Perindustrian BS 9, Jalan BS 9/10, Taman Bukit Serdang, 43300 Seri Kembangan, Selangor Darul Ehsan
Factory Lot No. 22	:	An intermediate double-storey terrace industrial unit used as a warehouse bearing the postal address of No. 22, Perindustrian BS 9, Jalan BS 9/10, Taman Bukit Serdang, 43300 Seri Kembangan, Selangor Darul Ehsan
FPE	:	Financial period ended/ending
FYE	:	Financial year(s) ended/ending
GBP	:	British Pound Sterling
GNI	:	Gross National Income
HKTDC	:	Hong Kong Trade Development Council
ICU	:	Intensive care unit
IMR Report	:	Independent Market Research Report prepared by Smith Zander
Internet Participating Financial Institution(s)	:	Participating financial institution(s) for the Internet Share Application, as listed in Section 15 of this Prospectus
Internet Share Application	:	Application for the Issue Shares through an online share application service provided by the Internet Participating Financial Institution(s)
IPO	:	Initial public offering of the Issue Shares in conjunction with the listing of and quotation for our entire enlarged issued and paid-up share capital on the ACE Market of Bursa Securities
ISO	:	International Organization for Standardization
Issue Price	:	The issue price of RM0.20 for each Issue Share

DEFINITIONS (Cont'd)

Issue Share(s)	:	113,000,000 new LKL International Shares, representing approximately 26.35% of our enlarged issued and paid-up share capital, which are to be issued pursuant to the Public Issue and subject to the terms and conditions of this Prospectus
Issuing House or MIH	:	Malaysian Issuing House Sdn Bhd (258345-X)
IT	:	Information Technology
IV	:	Intravenous
LCD	:	Liquid crystal display
Listing	:	The admission to the Official List of Bursa Securities and the listing of and quotation for our entire enlarged issued and paid-up share capital of RM42,880,000, comprising 428,800,000 LKL International Shares on the ACE Market of Bursa Securities
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
Listing Scheme	:	The Acquisition of LKL Advance Metaltech, Public Issue and Listing, collectively
LKL Advance Metaltech	:	LKL Advance Metaltech Sdn Bhd (278577-X)
LKL International or Company	:	LKL International Berhad (1140005-V)
LKL International Group or Group	:	LKL International and LKL Advance Metaltech, collectively
LKL International Share(s) or Share(s)	:	Ordinary shares of RM0.10 in LKL International
LPD	:	11 March 2016, being the latest practicable date prior to the issuance of this Prospectus
Malaysian Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Market Day	:	Any day between Monday to Friday (both days inclusive) which is not a public holiday and when Bursa Securities is open for trading of securities
MATRADE	:	Malaysia External Trade Development Corporation
MDA	:	Medical Device Authority
MEDCAST	:	Medical Device Centralised Online Application System
MICCI	:	Malaysian International Chamber of Commerce and Industry
MITI	:	Ministry of International Trade and Industry
Mm	:	millimetre
MMA	:	Malaysian Medical Association
MMEBA	:	MICCI Malaysia Entrepreneurs Branding Award

DEFINITIONS (Cont'd)

N/A	:	Not applicable
NA	:	Net assets
NKEA	:	National Key Economic Area
Official List	:	Official list of the ACE Market of Bursa Securities
Participating Financial Institution(s)	:	Participating financial institution(s) for Electronic Share Application, as listed in Section 15 of this Prospectus
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PC	:	Process control
PE Multiple	:	Price earnings multiple
PEMANDU	:	Performance Management Delivery Unit
Pink Form Allocations	:	The allocation of 13,200,000 Issue Shares to our eligible Directors, employees and persons who have contributed to the success of our Group pursuant to the Public Issue
Placement Agent	:	AIBB, being the agent to place out 42,200,000 Issue Shares to be issued pursuant to the Public Issue
PPE	:	Property, plant and equipment
Prescribed Security	:	Securities of a company that are prescribed by Bursa Securities to be deposited in the CDS subject to the provision of the Central Depositories Act and the Rules
Principal Adviser	:	AIBB
Promoters	:	Lim Kon Lian, Mok Mei Lan, Elaine Lim Sin Yee, Lim Pak Hong, Lim Ming Chang and Tan Lee Ching, collectively
Prospectus	:	This Prospectus dated 26 April 2016 in relation to the IPO
Public Issue	:	Public issue of 113,000,000 new LKL International Shares at the Issue Price comprising:- <ul style="list-style-type: none"> (a) 8,000,000 new LKL International Shares made available for application by the Malaysian Public; (b) 13,200,000 new LKL International Shares made available for application by our eligible Directors, employees and persons who have contributed to the success of our Group; (c) 42,200,000 new LKL International Shares made available by way of placement to selected investors; and (d) 49,600,000 new LKL International Shares made available by way of placement to Bumiputera investors approved by the MITI
QA	:	Quality Assurance

DEFINITIONS (Cont'd)

QC	:	Quality Control
R&D	:	Research and development
RM and sen	:	Ringgit Malaysia and sen respectively
ROC	:	Registrar of Companies
Rules	:	Rules of Bursa Depository
SC	:	Securities Commission Malaysia
SGD	:	Singapore Dollar
SME	:	Small and medium enterprise
Smith Zander	:	Smith Zander International Sdn Bhd (1058128-V), an independent market research company
Sole Underwriter	:	AIBB
Sponsor	:	AIBB
sq ft	:	Square feet
UAE	:	United Arab Emirates
Underwriting Agreement	:	The underwriting agreement dated 22 March 2016 entered into between our Company and AIBB pursuant to our IPO
USA	:	United States of America
USD	:	US Dollar

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GLOSSARY OF TECHNICAL TERMS

The following technical terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:-

ABS	:	Acrylonitrile butadiene styrene, a form of thermoplastic polymer which has higher impact resistance properties as compared to PE
AutoCAD	:	A 2D and 3D computer-aided design and drafting software application
Cardiac	:	A term that refers to parts relating to, or situated near, the heart
Defibrillator	:	An electrical device used to correct abnormal heart rhythm by delivering brief electrical shocks to restore normal heartbeat
Delivery bed	:	A delivery bed refers to a specially designed bed that provides additional support for mothers during labour and delivery stages, enabling them to be in a lithotomy position. Some delivery beds can also be converted into a bed for after-delivery stages
Electric bed	:	An electric bed is a medical bed that is electrically powered to enable height, back rest, and/or knee rest adjustments. LKL International Group manufactures two (2) types of electric beds, namely standard electric beds (i.e. typical electric bed used in general wards) and ICU/CCU electric beds (i.e. electric beds with other salient features used in ICU/CCU wards)
Examination table	:	An examination table is a flat base medical bed where patients are placed during a medical examination
Hospital	:	A hospital is a healthcare institution or facility involved in the reception, hospitalisation, treatment and care of persons suffering from diseases, or requiring medical treatment, or dental treatment which requires hospitalisation
Hydraulic bed	:	A hydraulic bed is a medical bed fitted with a foot pedal-operated hydraulic jack to enable height adjustments, and a gas spring mechanism to enable back rest and/or knee rest adjustments
Instrument trolley	:	An instrument trolley is designed for healthcare professionals to hold medical instruments while they are examining a patient or performing surgery on a patient
IV drip	:	A device used to administer fluid, medication and/or nutrients into a patient's circulatory system
Lateral Patient Transfer Trolley System	:	A patient transport trolley that allows for the transfer of patients from one (1) trolley to another, in a perpendicular direction
Lathe machine	:	A machine that is used for shaping and removing nicks and fragments from materials using a rotating drive which turns the material against a cutting tool
Lithotomy position	:	A position in which a mother, commonly takes during childbirth. In this position, the mother lies flat on her back with hips and knees flexed and thighs apart and raised
Longitudinal Patient Transfer Trolley System	:	A patient transport trolley that allows for the transfer of patients from one (1) trolley to another, in a parallel direction

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Manual bed	:	A manual bed refers to a medical bed fitted with a manual crank mechanism to enable height, back rest and/or knee rest adjustments
Medical bed	:	A medical bed refers to a specially designed bed for patients that allows for height, back rest and/or knee rest adjustments
Medical cart	:	A medical cart is used by healthcare professionals to temporarily or permanently hold and/or store medical equipment, instruments and accessories
Medical centre	:	The term "medical centre" is another terminology for a hospital
Medical device	:	A medical device refers to any device, equipment, instrument or apparatus, or a related product, used in the provision of healthcare services
Milling machine	:	A machine with rotating cutters that is used for shaping and removing nicks and fragments from steel materials
Overbed table	:	An overbed table is a movable platform designed for hospitalised patients to place their meals and/or belongings, in order to enable easy access to these items
Patient transport trolley	:	A patient transport trolley that is used by healthcare professionals to transport patients within and out of the hospital
PE	:	Polyethylene, a form of thermoplastic polymer, is an elastic and non-toxic polymer, and is the most common form of thermoplastic polymer used
PVC	:	Polyvinyl chloride is a form of synthetic plastic polymer which is low in cost, durable and malleable
Ratchet	:	A mechanical device which is engaged on a wheel/castor to allow for motion in one direction only
Reverse Trendelenburg position	:	A position in which a patient lying flat on his/her back is tilted so that his/her head is higher than the feet
SolidWorks	:	A 3D computer-aided design and drafting software application
Trendelenburg position	:	A position in which a patient lying flat on his/her back is tilted so that his/her feet is higher than the head
X-ray	:	A non-invasive radiography procedure

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name/(Designation)	Address	Occupation	Nationality
Tan Sri Datuk Adzmi Bin Abdul Wahab <i>(Independent Non-Executive Chairman)</i>	No. 15, Jalan Bunga Cempaka 2/11 40000 Shah Alam Selangor Darul Ehsan	Director	Malaysian
Lim Kon Lian <i>(Managing Director)</i>	No. 40, Jalan Indah 1/10 Taman Universiti Indah 43300 Seri Kembangan Selangor Darul Ehsan	Director	Malaysian
Mok Mei Lan <i>(Executive Director)</i>	No. 40, Jalan Indah 1/10 Taman Universiti Indah 43300 Seri Kembangan Selangor Darul Ehsan	Director	Malaysian
Tan Chuan Hock <i>(Non-Independent Non-Executive Director)</i>	No. 2, Jalan 12/15 46200 Petaling Jaya Selangor Darul Ehsan	Director	Malaysian
Tevanaigam Randy Chitty <i>(Senior Independent Non-Executive Director)</i>	C-39-7, 9 Bukit Utama Persiaran Bukit Utama Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Director	Malaysian
Selma Enolil Binti Mustapha Khalil <i>(Independent Non-Executive Director)</i>	No. 32, Jalan Putra Bistari 2/1s Putra Heights 47650 Subang Jaya Selangor Darul Ehsan	Advocate & Solicitor	Malaysian

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1. CORPORATE DIRECTORY (Cont'd)

AUDIT COMMITTEE

Name	Designation	Directorship
Tevanaigam Randy Chitty	Chairman	Senior Independent Non-Executive Director
Tan Sri Datuk Adzmi Bin Abdul Wahab	Member	Independent Non-Executive Chairman
Selma Enolil Binti Mustapha Khalil	Member	Independent Non-Executive Director
Tan Chuan Hock	Member	Non-Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Selma Enolil Binti Mustapha Khalil	Chairman	Independent Non-Executive Director
Lim Kon Lian	Member	Managing Director
Tevanaigam Randy Chitty	Member	Senior Independent Non-Executive Director
Tan Chuan Hock	Member	Non-Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Tevanaigam Randy Chitty	Chairman	Senior Independent Non-Executive Director
Selma Enolil Binti Mustapha Khalil	Member	Independent Non-Executive Director
Tan Chuan Hock	Member	Non-Independent Non-Executive Director

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1. CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARIES** : Tea Sor Hua (MACS 01324)
77C, Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Telephone No. : (03) 7725 1777
- Yong Yen Ling (MAICSA 7044771)
77C, Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Telephone No. : (03) 7725 1777
- REGISTERED OFFICE** : Third Floor, No. 79 (Room A)
Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Telephone No. : (03) 7725 1777
- HEAD OFFICE** : Wisma LKL
No. 3, Jalan BS7/18
Kawasan Perindustrian Bukit Serdang
Seksyen 7, 43300 Seri Kembangan
Selangor Darul Ehsan
Telephone No. : (03) 8948 2990
Website : <http://www.lklbeds.com/>
Email : info@lklbeds.com
Information on our website does not constitute part of this Prospectus
- EXTERNAL AUDITORS AND REPORTING ACCOUNTANTS** : Crowe Horwath (AF1018)
Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Telephone No. : (03) 2788 9999
- SOLICITORS FOR THE LISTING** : Cheang & Ariff
39 Court @ Loke Mansion
273A, Jalan Medan Tuanku
50300 Kuala Lumpur
Telephone No. : (03) 2691 0803
- PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND PLACEMENT AGENT** : Alliance Investment Bank Berhad
Level 3, Menara Multi-Purpose
Capital Square
8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No. : (03) 2604 3333
- SHARE REGISTRAR** : Tricor Investor & Issuing House Services Sdn Bhd
(formerly known as Equiniti Services Sdn Bhd)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Telephone No. : (03) 2783 9299

1. CORPORATE DIRECTORY (Cont'd)

- PRINCIPAL BANKERS** : United Overseas Bank (M) Bhd
Level 9, Menara UOB
Jalan Raja Laut
50350 Kuala Lumpur
Telephone No. : (03) 2772 6306
- OCBC Bank (Malaysia) Berhad
Menara OCBC
18 Jalan Tun Perak
50050 Kuala Lumpur
Telephone No. : (03) 8317 5200
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Telephone No. : (03) 7841 8000
- INDEPENDENT MARKET RESEARCHER** : Smith Zander International Sdn Bhd
Suite 23-3, Level 23, Office Suite
Menara 1MK
1 Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur
Telephone No. : (03) 6211 2121
- LISTING SOUGHT** : ACE Market of Bursa Securities

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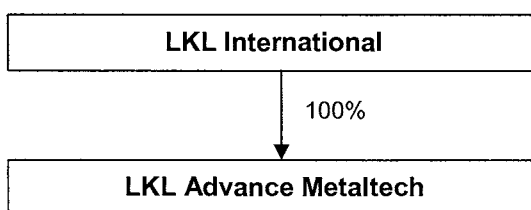
2. INFORMATION SUMMARY

THIS SECTION IS ONLY A SUMMARY OF THE SALIENT INFORMATION CONTAINED IN THIS PROSPECTUS AND MAY NOT CONTAIN ALL OF THE INFORMATION ABOUT US AND THE IPO WHICH MAY BE IMPORTANT TO YOU. YOU SHOULD CAREFULLY READ AND UNDERSTAND THIS SECTION TOGETHER WITH THE WHOLE PROSPECTUS BEFORE YOU DECIDE WHETHER TO INVEST IN US. PROSPECTIVE INVESTORS ARE ADVISED TO READ THE RISK FACTORS DESCRIBED IN SECTION 4 OF THIS PROSPECTUS FOR AN UNDERSTANDING OF THE RISKS ASSOCIATED WITH THE INVESTMENT IN OUR GROUP.

2.1 BACKGROUND AND OVERVIEW

Our Company was incorporated in Malaysia under the Act on 13 April 2015 as a private limited company under the name of LKL International Sdn Bhd and was subsequently converted to a public limited company on 16 July 2015.

Our Group corporate structure is as follows:-



Our principal activities are as follows:-

Company	Principal Activities
LKL International	Investment holding
LKL Advance Metaltech	Provision of medical/healthcare beds, peripherals and accessories

We are principally involved in the design and manufacturing of medical/healthcare beds, peripherals and accessories, where we are one of the largest local manufacturers in Malaysia, in terms of revenue.

Our diverse range of products are used in/by a wide portfolio of customers such as hospitals and medical centres, as well as other healthcare-related facilities such as clinics and specialist institutions (i.e. fertility centres, diagnostics centres, eye specialists, orthopaedic centres, chiropractic centres, dialysis centres, confinement centres, nursing centres and etc). We also sell our products to education facilities/medical schools, wellness, beauty and aesthetics centres, pharmacies, and individuals.

We generate our sales from the abovementioned wide portfolio of customers either directly by our sales team or through Agents, Distributors and project consultants. Our sales which were secured via Agents, Distributors and project consultants, contributed approximately 65.36%, 63.43%, 56.98% and 46.63% of our total revenue for the past three (3) FYE 30 April 2013 to 2015 and six (6)-month FPE 31 October 2015 respectively. Further information on our mode of distribution and sales are set out in Section 5.7.8 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

The end-users of our products are largely hospitals and medical centres, comprising 61.32%, 56.59%, 57.68% and 58.54% of our total revenue for the past three (3) FYE 30 April 2013 to 2015 and six (6)-month FPE 31 October 2015 respectively, with the remaining end-users coming from our wide portfolio of customers (as mentioned above). In Malaysia, some of these include public hospitals and medical centres such as Hospital Putrajaya, Hospital Serdang, Hospital Selayang, Pusat Perubatan Universiti Malaya, Hospital Sultanah Aminah and National Cancer Institute, Putrajaya; and private hospitals and medical centres such as Columbia Asia group of hospitals, Prince Court Medical Centre, Gleneagles Kuala Lumpur, KPJ Damansara Specialist Hospital, Pantai Hospital Kuala Lumpur, ParkCity Medical Centre, Tropicana Medical Centre and Sunway Medical Centre.

We have exported our medical/healthcare beds, peripherals and accessories to over 30 countries across six (6) continents, which contributed approximately 22.57%, 21.97%, 19.49% and 25.37% of our total revenue for the past three (3) FYE 30 April 2013 to 2015 and six (6)-month FPE 31 October 2015 respectively.

Our design and manufacturing process complies with international compliance standards. We are currently ISO 9001:2008 and EN ISO 13485:2012 certified, which demonstrate our compliance and commitment to respected industry quality management practices for the design and development, production, assembly and distribution of durable medical equipment such as hospital beds, trolleys, tables, mobility aids and other support equipment. We have also been granted a certificate of CE registration, a registration which certifies that our products comply with the European Commission health, safety and environment protection legislation, under the European Commission 93/42/EEC and 2007/47/EEC.

History: Evolution and Growth of our Business

In 1981, our Co-Founder and Managing Director, Lim Kon Lian, established Victor Company, a sole proprietorship involved in the manufacturing of steel and wooden furniture, which included hospital furniture and accessories. Prior to 1981, Lim Kon Lian had spent over ten (10) years in metal and steel fabrication, initially as a trade apprentice and subsequently as a freelance sub-contractor. In 1988, our other Co-Founder and Procurement Director, Mok Mei Lan, co-founded Victory Supplies with Lim Kon Khoon, the brother of Lim Kon Lian. Victory Supplies, which was set up primarily as the trading arm of Victor Company, was involved in the trading and supply of hospital furniture, accessories, and steel and wooden furniture and fittings.

Lim Kon Lian and Mok Mei Lan jointly established our wholly-owned subsidiary, LKL Advance Metaltech on 13 October 1993, with the ultimate intention to utilise LKL Advance Metaltech, being a private limited company, to expand their business operations. LKL Advance Metaltech was a property holding company in the interim when it acquired its first property the following year with the purchase of a factory cum office building in Taman Universiti Indah, Seri Kembangan and rented the property to Victory Supplies. Victor Company ceased operations when the business was closed on 4 July 1994, and Victory Supplies assumed the manufacturing operations of Victor Company.

In 1996, we commenced our intended operations as a manufacturer and trader of hospital furniture, accessories, and steel and wooden furniture and fittings at our factory in Taman Universiti Indah helmed by Lim Kon Lian. Victory Supplies continued operating concurrently from the same premises.

Due to growing market demand, we began to gradually focus on the healthcare furniture and equipment business, where we sold our products to customers directly as well as through Agents, Distributors and project consultants. Within the first two (2) years of our operations, we delivered our products to hospitals and medical centres such as Assunta Hospital in Petaling Jaya, Taman Desa Medical Centre & Specialist Hospital and Hospital Tung Shin in Kuala Lumpur via our sales team.

2. INFORMATION SUMMARY (Cont'd)

In line with the expansion of our business, we expanded our factory when we purchased an adjacent unit to our factory cum office building in Taman Universiti Indah in 1997. Along with this expansion, we automated a large part of our welding processes through the installation of robotic welding machinery in the same year. With the on-going growth of LKL Advance Metaltech, Victory Supplies ceased operations, when it was closed on 22 March 1999, with Mok Mei Lan thereafter focusing solely on LKL Advance Metaltech's operations.

As our business grew, our portfolio of customers continued to expand, where from 2000 to 2001, we delivered our products to public hospitals and medical centres such as Hospital Putrajaya, Hospital Lahad Datu and Hospital Keningau via project consultants, which had subsequently paved the way for more deliveries to other local public hospitals and medical centres. Our sales team had also secured direct orders from private hospitals and medical centres such as Sentosa Medical Centre and Pantai Cheras Medical Centre (now known as Pantai Hospital Cheras). We also secured one of our earliest export sales via Distributor when we delivered our products to a customer in Singapore in 2000, thus forming the beginning of our export track record. We continued to secure orders from this distributor in subsequent years.

From 2002 to 2008, we continued to expand our business reach to other public hospitals and medical centres, as we secured deliveries to Hospital Jasin, Hospital Sarikei, Hospital Serdang, Hospital Temerloh and Hospital Angkatan Tentera Setapak via project consultants as well as Pusat Perubatan Universiti Malaya via our sales team. During this period, our sales team also secured direct orders from private hospitals and medical centres such as Perak Chinese Maternity Hospital and Gleneagles Intan Medical Centre (now known as Gleneagles Kuala Lumpur). Our export track record also grew during this period with the addition of more than ten (10) new countries with sales to customers in Sri Lanka, Bangladesh, Hong Kong, Saudi Arabia, Kuwait, Pakistan, India, Vietnam, Philippines, UAE, Maldives, Indonesia, Brunei and Australia. We also exported our products to customers in Europe, having secured orders from Switzerland, Germany and Poland between 2004 and 2008.

In 2008, to accommodate further expansion in our business, we relocated to our present head office and manufacturing plant in Factory Lot No. 3. In 2012, due to continued growth in our business, we expanded our manufacturing facility and commenced operations in an adjacent property (Factory Lot No. 1).

Between 2009 and 2015, our business continued to grow and we secured orders via project consultants to Hospital Kuala Lipis, Hospital Queen Elizabeth II Kota Kinabalu, Hospital Rehabilitasi Cheras and National Cancer Institute, Putrajaya; and directly by our sales team to Darul Ehsan Medical Centre, Columbia Asia group of hospitals, Manipal Hospitals Klang (formerly known as Arunamari Specialist Medical Centre) and KPJ Pahang Specialist Hospital. Our overseas business also continued to expand during this time, as we exported to more than 15 new countries to our customers in the Netherlands, United Kingdom, Mozambique, Finland, Austria, Oman, Ghana, Mauritius, Qatar, Syria, Jordan, Botswana, Kenya, Laos, Myanmar, Thailand and Cambodia. We also managed to secure sales from customers in North America and Central/South America, with the delivery of our products to Mexico and Costa Rica respectively.

In 2015, we acquired another factory (Factory Lot No. 15) located behind our current premises to accommodate our future expansion. We intend to use this factory to set up the new CNC machinery once the machinery is acquired. Please refer to Section 5.8.1(iv) of this Prospectus for further details of our planned machinery acquisition. In the same year, we rented four (4) nearby shophot factories (Factory Lot No. 12, Factory Lot No. 12A, Factory Lot No. 16 and Factory Lot No. 22) to relocate our storage, warehouse and some of our assembly processes due to space constraints at our current factory, as well as to carry out epoxy powder coating (which was previously carried out at another rented premise). Please refer to Section 5.8.1(v) of this Prospectus for further details.

To-date, we pride ourselves on having delivered our products to numerous public and private hospitals and medical centres in Malaysia and over 30 countries across six (6) continents, in support of the growing healthcare services industry globally.

2. INFORMATION SUMMARY (Cont'd)

Awards, Certifications and Recognitions

In 2001, we received the ISO 9001:2000 certification from RWTÜV Anlagentechnik GmbH (updated to ISO 9001:2008 certification, and currently certified by TÜV SÜD Management Service GmbH), for the design and development, production, assembly and distribution of durable medical equipment such as hospital beds, trolleys, tables, mobility aids and other support equipment. Further, in 2005, we received the EN ISO 13485:2003 certification from TÜV Product Service GmbH (updated to EN ISO 13485:2012 certification, and currently certified by TÜV SÜD Product Service GmbH) for the design and development, production, assembly and distribution of durable medical equipment such as hospital beds, trolleys, tables, mobility aids and other support equipment. We were also granted a certificate of CE registration since 2009 by Obelis s.a., a registration which certifies that our products comply with the European Commission health, safety and environment protection legislation, under the European Commission 93/42/EEC and 2007/47/EEC. Our products under the purview of this registration are manual, hydraulic, standard electric, ICU/CCU electric and delivery beds, patient transport trolleys and stretchers, examination tables, medical tables and chairs, and overbed tables. These achievements are as a result of, amongst others, an accumulation of technical know-how and industry knowledge gained through many years of operating in the industry.

Arising from our industry reputation and track record built throughout the years, we were appointed by PEMANDU in 2011 to spearhead EPP13, a designated project to develop the medical hardware and furniture cluster under the healthcare sector. The EPP13 is a NKEA under the ETP driven by PEMANDU and targets to add RM380 million to GNI and create an additional 2,900 jobs in the healthcare sector by 2020.

Over the years, we have successfully grown and evolved into an established healthcare furniture and equipment manufacturer specialising in the design, manufacturing and sale of medical/healthcare beds and the design, manufacturing, sale and trading of medical peripherals and accessories. Through our achievements, we were awarded various accolades, including:-

- the "Enterprise 50" by SME Corporation Malaysia and Deloitte Malaysia in 2005;
- the "MMEBA" under the Platinum Brand Award category and under the Corporate Branding Export Market Gold Award category by MICCI and Lim Kok Wing University of Creative Technology in 2007;
- the "Golden Bull Award 2011 (Outstanding SME)" by Nanyang Siang Pau in 2011;
- the "SMEs BestBrands Awards" under the Corporate Branding Awards sector by the Asia Pacific Brand Foundation in 2011;
- the "1Malaysia Enterprise Award" under the "1Malaysia Lifecare category" by the Malaysia Food Processing and Packaging Entrepreneurs Association in 2012; and
- the "Golden Eagle Award 2015 (Malaysia 100 Excellent Enterprises)" by Nanyang Siang Pau in 2015.

According to the IMR Report, we garnered a market share of 40.5% in 2014 in Malaysia, based on our local revenue of RM31.4 million for the FYE 30 April 2015. As one of the largest local manufacturers in Malaysia, we are well-positioned to continuously strengthen our presence in Malaysia and pursue opportunities in both local and international markets. Therefore, we are seeking listing on the ACE Market of Bursa Securities to facilitate and accelerate our future growth. Our continuous commitment in maintaining the highest levels of product quality and customer service, as well as in expanding, improving and upgrading our products, coupled with our proven track record and technical know-how, will place us in a position to be able to ensure our long term growth and sustainability in the industry.

Further information on our Group, our business and our future plans and strategies are disclosed under Section 5 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

2.2 COMPETITIVE STRENGTHS**(i) We are well-positioned to capitalise on the growth in the local and international healthcare industry**

Our medical/healthcare beds, peripherals and accessories are mainly sold to hospitals and medical centres as well as other healthcare-related facilities, either directly by our sales team or via Agents, Distributors and project consultants (please refer to Section 5.7.8 of this Prospectus for further information). Thus, the potential for our future revenue growth is promising in line with the growth of the healthcare industry locally and internationally.

According to the IMR Report, the healthcare services industry in Malaysia grew, in terms of total healthcare expenditure, at a CAGR of 9.7% from RM17.8 billion in 2004 to RM41.0 billion in 2013. Growth is expected to be driven by higher incidences of chronic diseases, the demographic shift to an ageing population, the increased accessibility to healthcare services due to growth in income and/or uptake of medical insurance, as well as Government initiatives in promoting the healthcare services industry. Specifically in terms of medical/healthcare beds, Malaysia's ratio of medical beds per 1,000 population stood at 1.9 beds in 2014, below both the developing country average and world average of 2.2 beds and 3.0 beds respectively, demonstrating that there is room for further growth for medical/healthcare beds in Malaysia's healthcare industry.

As one of Malaysia's largest manufacturers of medical/healthcare beds, peripherals and accessories by revenue, we have strong local market presence and are well-positioned to continue to capture future growth opportunities in the healthcare industry in Malaysia. According to the IMR Report, we garnered a market share of 40.5% in 2014 in Malaysia, based on our local revenue of RM31.4 million for the FYE 30 April 2015 and the market size for medical beds, peripherals and accessories of RM77.6 million in 2014. As such, with our strong market position and proven track record, we are primed to continue to grow in tandem with the rise in healthcare expenditure and growth in healthcare services in Malaysia.

In addition, the Government plays an active role in driving the healthcare equipment sector, thus benefiting the medical bed, peripheral and accessory industry. The Ministry of Health Malaysia acknowledges the shortage of medical beds in the country, and have announced that the Government have been taking measures to improve access to healthcare in general, including the upgrading of existing hospitals and the building of new hospitals in high density areas to accommodate for the lack of healthcare services and insufficient number of beds. In the 11th Malaysia Plan which was launched in May 2015, the Government announced its aim to achieve universal access to quality healthcare, and in doing so it aims to increase the medical bed ratio to 2.3 beds per 1,000 population.

Further, the global healthcare services industry has also demonstrated growth, where total healthcare expenditure increased at a CAGR of 6.4%, from USD4.3 trillion (RM16.3 trillion) in 2004 to USD7.5 trillion (RM23.6 trillion) in 2013. Particularly in the developing countries of Asia, Middle East, Africa and Central/South America, which have been, and will continue to be, our key export markets, per capita healthcare expenditure remain relatively low compared to per capita healthcare expenditure in the developed countries. Our growth potential in the medical bed, peripheral and accessory industry in Malaysia is not just limited to the demand from within the local market as there is also latent demand for medical beds in most developing countries, particularly in Asia, Middle East and Africa, and this is indicated by the lower developing country average for medical beds per 1,000 population of 2.2 beds relative to the world average of 3.0 beds.

(Source: IMR Report)

2. INFORMATION SUMMARY (Cont'd)

Premised on the above, our Group is poised to leverage on the continuing long term demand growth for healthcare services. The listing of our Group will provide the impetus to take our Group to the next phase of growth, as it will enhance our Group's corporate and business profile, as well as increase the stature of our Group in the marketing of our products and services, particularly in the international markets.

(ii) We have delivered our products to established public and private hospitals and medical centres in the local as well as international markets

We have delivered our products to both locally and internationally established hospitals and medical centres. In Malaysia, this includes Hospital Putrajaya, Pusat Perubatan Universiti Malaya, Columbia Asia group of hospitals and Sunway Medical Centre. In the overseas markets, we have delivered our products across six (6) continents to over 30 countries, including Botswana, Maldives, Mozambique, Singapore, Kenya, Bangladesh and Sri Lanka. Please refer to Section 5.7.2 of this Prospectus for details of the hospitals and medical centres where we have delivered our products.

Our success in securing and retaining these hospitals and medical centres is a testament to our product quality, customer service and proven industry track record. We have been serving some of our customers for over 15 years (Assunta Hospital, Hospital Tung Shin, Pantai Hospital Cheras and Hospital Putrajaya), where these long-term business relationships have resulted in repeat orders, which provide us with strong assurance in terms of business sustainability.

(iii) We have the required technical expertise to conform to international compliance standards in the global healthcare industry

Our design and manufacturing process complies with international compliance standards. We have the ISO 9001:2008 certification (first awarded as ISO 9001:2000 certification) and EN ISO 13485:2012 certification (first awarded as EN ISO 13485:2003 certification) from TÜV SÜD Management Service GmbH (first awarded by RWTÜV Anlagentechnik GmbH in 2001) and TÜV SÜD Product Service GmbH (first awarded by TÜV Product Service GmbH in 2005) respectively, which are certification bodies based in Germany, certifying that our manufacturing process comply with the quality management system requirements for the design and development, production, assembly and distribution of durable medical equipment such as hospital beds, trolleys, tables, mobility aids and other support equipment.

We have also been granted a certificate of CE registration by Obelis s.a., a registration which certifies that our products comply with the European Commission health, safety and environment protection legislation, under the European Commission 93/42/EEC and 2007/47/EEC. Our products under the purview of this registration are manual, hydraulic, standard electric, ICU/CCU electric and delivery beds, patient transport trolleys and stretchers, examination tables, medical tables and chairs, and overbed tables.

The abovementioned achievements are as a result of, amongst others, an accumulation of technical know-how and industry knowledge gained through many years of operating in the industry. The local and international healthcare industry places utmost importance on the quality of medical/healthcare beds, peripherals and accessories used in hospitals and medical centres, and as such, requires manufacturers and suppliers to conform to strict international product compliance standards.

Furthermore, our Group has the capability to manufacture customised products, based on requirements and specifications of our customers. These include design factors such as customised dimensions, shapes, enhanced features and colours.

2. INFORMATION SUMMARY (Cont'd)**(iv) We have exported our products to over 30 countries across six (6) continents**

We have delivered medical/healthcare beds, peripherals and accessories to destinations across six (6) continents and in over 30 countries including Bangladesh, Brunei, Cambodia, Hong Kong, India, Jordan, Kuwait, Laos, Maldives, Myanmar, Oman, Pakistan, Philippines, Qatar, Saudi Arabia, Singapore, Sri Lanka, Syria, Thailand, UAE and Vietnam in Asia; Botswana, Ghana, Kenya, Mauritius and Mozambique in Africa; Austria, Finland, Germany, Switzerland and the United Kingdom in Europe; Australia in Oceania; Mexico in North America and Costa Rica in Central/South America.

These international markets serve as a vast market for our Group to tap into. It also reflects our global footprint in the healthcare furniture and equipment industry, in support of the growing healthcare services industry globally. In the past three (3) FYE 30 April 2013 to 2015 and six (6)-month FPE 31 October 2015, our revenue from international markets accounted for 22.57%, 21.97%, 19.49% and 25.37% respectively of our total revenue. Our penetration into international markets is a testament to our industry reputation and track record, and has been facilitated by our conformance to international standards.

(v) We have a diversified range of products to cater for a wide range of customer demands

Our Group has the capabilities and experience to design and manufacture a diverse range of medical/healthcare beds (such as medical and delivery beds comprising electric, hydraulic and manual beds) and medical peripherals and accessories (such as patient transport trolleys, medical carts, instrument trolleys, examination tables, overbed tables and miscellaneous peripherals and accessories). This wide range of products allows us to serve the different needs of customers as well as provides us the flexibility to alter our product mix in the event of changing market conditions.

Our diversified capabilities and wide range of products allow us to target a large customer base, making us less dependent on any particular product and/or customer. It also enables our Group to adapt to difficult market conditions and gives us flexibility in reacting to changing customer needs and demands. Difficult market conditions may occur due to a decrease in demand for medical/healthcare beds, peripherals and accessories, which may be a result of a lower number of newly established hospitals and medical centres, and/or a cutback in public and private healthcare expenditure as well as competition from local and foreign players.

(vi) We are able to offer efficient and reliable after-sales services to our customers

We are committed in providing efficient and reliable after-sales services to our customers in order to maintain strong relationships with our customers. As a result, we have been able to secure recurring orders from our key customers as well as derive sales through referrals from some of these customers. Since our establishment, we have built a strong customer base consisting of several longstanding customers, some with more than 15 years of working relationship.

2. INFORMATION SUMMARY (Cont'd)

(vii) We have an experienced management team

We have been operating in the healthcare furniture and equipment business, supporting hospitals and medical centres, for more than 15 years and throughout these years, we have been led by an experienced and dedicated management team. Our Co-Founder and Managing Director, Lim Kon Lian, has played a pivotal role in steering our growth and success since our inception. Lim Kon Lian has over 40 years of experience in steel and metal fabrication, and over 30 years in the healthcare furniture and equipment business. His experience, drive and passion for our business have been instrumental in leading our Group to its current position within the industry.

Throughout these years, we have built an established industry reputation through our management's experience, technical know-how and industry knowledge. Our ability to provide high quality products, coupled with our consistent levels of reliable service, has been instrumental in attracting new and recurring orders from established hospitals and medical centres, and has enabled us to maintain our business relationships with our existing customers. We believe that the strength and experience of our key management team will enable us to continue to further grow our business and expand our market presence.

Further details of our competitive strengths are set out in Section 5.1.2 of this Prospectus.

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2. INFORMATION SUMMARY (Cont'd)**2.3 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT OF OUR GROUP**

Our Company's Promoters, substantial shareholders, Directors and key management are as follows:-

Name	Designation
PROMOTERS AND/OR SUBSTANTIAL SHAREHOLDERS	
Lim Kon Lian	Promoter and substantial shareholder
Mok Mei Lan	Promoter and substantial shareholder
Elaine Lim Sin Yee	Promoter and substantial shareholder
Lim Pak Hong	Promoter and substantial shareholder
Lim Ming Chang	Promoter
Tan Lee Ching	Promoter
Tan Chuan Hock	Substantial shareholder
DIRECTORS	
Tan Sri Datuk Adzmi Bin Abdul Wahab	Independent Non-Executive Chairman
Lim Kon Lian	Managing Director
Mok Mei Lan	Executive Director
Tan Chuan Hock	Non-Independent Non-Executive Director
Tevanaigam Randy Chitty	Senior Independent Non-Executive Director
Selma Enolil Binti Mustapha Khalil	Independent Non-Executive Director
KEY MANAGEMENT	
Lim Kon Lian	Managing Director
Mok Mei Lan	Procurement Director
Lim Pak Hong	Group General Manager
Lim Ming Chang	General Manager – Operations
Wee Chuen Lii	Financial Controller
Lee Kah Eang	Chief Marketing Officer
Elaine Lim Sin Yee	Human Resource and Administration Manager
Lee Kam Weng	Export Manager

Further details on our Promoters, substantial shareholders, Directors and key management are disclosed in Section 7 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

2.4 PRINCIPAL STATISTICS RELATING TO THE IPO

The following statistics relating to the IPO are derived from the full text of this Prospectus and should be read in conjunction with the text:-

	No. of Shares	Share Capital (RM)
Authorised share capital	500,000,000	50,000,000
Issued and fully paid-up share capital as at the date of this Prospectus	315,800,000	31,580,000
New shares to be issued pursuant to the Public Issue	113,000,000	11,300,000
Enlarged share capital upon Listing	428,800,000	42,880,000
Issue Price		0.20
		RM
- Pro forma consolidated NA per Share (based on the enlarged issued and paid-up share capital after the IPO and after deducting the estimated listing expenses of approximately RM2.500 million)		0.13
- Market capitalisation upon Listing (based on the Issue Price and enlarged issued and paid-up share capital after the IPO)		85,760,000

Further information on our IPO is disclosed under Section 3 of this Prospectus.

2.5 UTILISATION OF PROCEEDS FROM THE IPO

The total gross proceeds from the Public Issue will amount to RM22.600 million based on the Issue Price. We expect the proceeds to be utilised in the following manner:-

Purpose	RM'000	%	Estimated time frame for utilisation
			(from the listing date)
Capital expenditure	8,500	37.61	Within 18 months
Repayment of bank borrowing	3,995	17.68	Within 12 months
Working capital	7,605	33.65	Within 24 months
Estimated listing expenses	2,500	11.06	Within three (3) months
Total	<u>22,600</u>	<u>100.00</u>	

There is no minimum subscription to be raised from the IPO.

Further details on the utilisation of proceeds are set out in Section 3.9 of this Prospectus.

The pro forma impact of the utilisation of proceeds on our Pro Forma Consolidated Statements of Financial Position as at 31 October 2015 is reflected in Section 2.7 and Section 11.2 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)**2.6 HISTORICAL COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF OUR GROUP**

The historical audited combined statements of profit or loss and other comprehensive income of our Group for the past three (3) FYE 30 April 2013 to 2015 and six (6)-month FPE 31 October 2015 have been extracted from the Accountants' Report set out in Section 12 of this Prospectus, which deals with the audited combined financial statements of our Group for the same financial years/period under review. Additionally, the unaudited combined statements of profit or loss and other comprehensive income of our Group for the six (6)-month FPE 31 October 2014 has been prepared for comparison purpose only.

The historical combined statements of profit or loss and other comprehensive income should be read with our Management's Discussion and Analysis of Financial Conditions, Results of Operations and Prospects set out in Section 11.4 of this Prospectus and with the Accountants' Report and related notes set out in Section 12 of this Prospectus. The historical financial information included in this Prospectus does not reflect our Group's results of operations, financial position and cash flows in the future, and our Group's past operating results are not indicative of our Group's future operating performance.

	<-----Audited----->			Unaudited	Audited
	<-----FYE 30 April----->			Six (6)-month	<---FPE 31 October--->
	2013	2014	2015	2014	2015
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	28,077	38,893	39,039	12,318	16,057
Cost of sales	(17,753)	(22,559)	(23,402)	(6,894)	(9,114)
Gross profit	10,324	16,334	15,637	5,424	6,943
Other income	1,653	440	246	131	451
	11,977	16,774	15,883	5,555	7,394
Selling and distribution expenses	(1,681)	(2,290)	(2,117)	(891)	(1,095)
Administrative expenses	(4,382)	(4,663)	(5,128)	(2,158)	(3,130)
Other expenses	(367)	(1,383)	(980)	(348)	(264)
Finance costs	(289)	(252)	(360)	(187)	(266)
PBT	5,258	8,186	7,298	1,971	2,639
Income tax expense	(818)	(2,179)	(1,336)	(533)	(856)
PAT	4,440	6,007	5,962	1,438	1,783
Other comprehensive income	-	-	-	-	-
Total comprehensive income	4,440	6,007	5,962	1,438	1,783
PAT attributable to:-					
- Owners of the Company	4,440	6,007	5,962	1,438	1,783
- Non-controlling interest	-	-	-	-	-
	4,440	6,007	5,962	1,438	1,783

2. INFORMATION SUMMARY (Cont'd)

	←-----Audited-----→			Unaudited	Audited
	←-----FYE 30 April-----→			Six (6)-month	←---FPE 31 October---→
	2013	2014	2015	2014	2015
Assumed no. of Shares in issue ⁽¹⁾ ('000)	315,800	315,800	315,800	315,800	315,800
Depreciation (RM'000)	739	787	1,097	549	559
Basic and diluted EPS ⁽²⁾ (sen)	1.41	1.90	1.89	0.46	0.56
Gross profit margin ⁽³⁾ (%)	36.77	42.00	40.05	44.03	43.24
PBT margin ⁽⁴⁾ (%)	18.73	21.05	18.69	16.00	16.44
PAT margin ⁽⁵⁾ (%)	15.81	15.44	15.27	11.67	11.10
Effective tax rate ⁽⁶⁾ (%)	15.56	26.62	18.31	27.04	32.44

Notes:-

- (1) *The assumed number of Shares in issue after Acquisition of LKL Advance Metaltech but before Public Issue.*
- (2) *Basic EPS is calculated based on PAT divided by the assumed number of Shares in issue. No dilution of EPS.*
- (3) *Gross profit margin is calculated based on gross profit divided by revenue.*
- (4) *PBT margin is calculated based on PBT divided by revenue.*
- (5) *PAT margin is calculated based on PAT divided by revenue.*
- (6) *Effective tax rate is calculated based on income tax expense divided by PBT.*

Please refer to Section 11 of this Prospectus for further discussion on our historical combined statements of profit or loss and other comprehensive income.

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2. INFORMATION SUMMARY (Cont'd)

2.7 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP

The Pro Forma Consolidated Statements of Financial Position of our Group as at 31 October 2015 as set out below, for which our Directors are solely responsible, have been prepared for illustrative purposes only to show the effects of the Acquisition of LKL Advance Metatech, Public Issue and utilisation of proceeds on the Pro Forma Consolidated Statements of Financial Position of our Group as at 31 October 2015 on the assumptions that these transactions were implemented and completed on 31 October 2015. We advise you to read the Pro Forma Consolidated Statements of Financial Position together with the basis and assumptions as set out in the accompanying notes included in the Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position as set out in Section 11.2 of this Prospectus.

	Audited As at 31 October 2015 RM'000	Pro Forma I After Acquisition of LKL Advance Metatech RM'000	Pro Forma II After Pro Forma I and Public Issue RM'000	Pro Forma III After Pro Forma II and utilisation of proceeds RM'000
ASSETS				
NON-CURRENT ASSET				
Property, plant and equipment	-	21,703	21,703	30,203
TOTAL NON-CURRENT ASSET	-	21,703	21,703	30,203
CURRENT ASSETS				
Inventories	-	10,020	10,020	10,020
Trade receivables	-	6,250	6,250	6,250
Other receivables, deposits and prepayments	210	1,799	1,799	1,589
Tax refundable	-	389	389	389
Fixed deposit with a licensed bank	-	619	619	619
Cash and bank balances	-	6,066	28,666	14,515
TOTAL CURRENT ASSETS	210	25,143	47,743	33,382
TOTAL ASSETS	210	46,846	69,446	63,585

2. INFORMATION SUMMARY (Cont'd)

2.7 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP (Cont'd)

	Audited As at 31 October 2015 RM'000	Pro Forma I After Acquisition of LKL Advance Metaltech RM'000	Pro Forma II After Pro Forma I and Public Issue RM'000	Pro Forma III After Pro Forma II and utilisation of proceeds RM'000
EQUITY AND LIABILITIES				
EQUITY				
Share capital	#	31,580	42,880	42,880
Share premium	-	-	11,300	10,453
Merger deficit	-	(29,580)	(29,580)	(29,580)
(Accumulated loss)/Retained profits	(645)	31,593	31,593	30,574
TOTAL EQUITY	(645)	33,593	56,193	54,327
NON-CURRENT LIABILITIES				
Hire purchase payables	-	408	408	408
Term loans	-	7,668	7,668	3,673
Deferred tax liability	-	566	566	566
TOTAL NON-CURRENT LIABILITIES	-	8,642	8,642	4,647

2. INFORMATION SUMMARY (Cont'd)

2.7 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP (Cont'd)

	Audited As at 31 October 2015 RM'000	Pro Forma I Acquisition of LKL Advance Metaltech RM'000	After Pro Forma I and Public Issue RM'000	Pro Forma II	Pro Forma III After Pro Forma II and utilisation of proceeds RM'000
CURRENT LIABILITIES					
Trade payables	-	2,049	2,049		2,049
Other payables and accruals	90	1,132	1,132		1,132
Amount owing to a director	3	3	3		3
Amount owing to a related party	762	-	-		-
Bankers' acceptances	-	495	495		495
Hire purchase payables	-	168	168		168
Term loans	-	764	764		764
TOTAL CURRENT LIABILITIES	855	4,611	4,611		4,611
TOTAL LIABILITIES	855	13,253	13,253		9,258
TOTAL EQUITY AND LIABILITIES	210	46,846	69,446		63,585
No. of ordinary shares in issue ('000)	^	315,800	428,800		428,800
Net (liabilities)/assets (RM'000)	(645)	33,593	56,193		54,327
Net (liabilities)/assets per share (RM)	(6,450)	0.11	0.13		0.13

Notes:-

- # RM10.
^ 100 Shares.

Please refer to Section 11 of this Prospectus for further details in relation to our Pro Forma Consolidated Statements of Financial Position.

2. INFORMATION SUMMARY (Cont'd)**2.8 SUMMARY OF HISTORICAL AUDITED COMBINED STATEMENTS OF CASH FLOWS**

The following table sets out a summary of our Group's historical audited combined statements of cash flows for the past three (3) FYE 30 April 2013 to 2015 and six (6)-month FPE 31 October 2015, and should be read in conjunction with the Accountants' Report in Section 12 of this Prospectus.

	<----- Audited ----->			
	<-----FYE 30 April----->			Six (6)-month FPE 31 October 2015 RM'000
	2013 RM'000	2014 RM'000	2015 RM'000	
Net cash from operating activities	726	9,223	6,873	2,257
Net cash for investing activities	(630)	(868)	(6,364)	(489)
Net cash for financing activities	(382)	(5,648)	(3,448)	(106)
Net (decrease)/increase in cash and cash equivalents	(286)	2,707	(2,939)	1,662
Effect of foreign exchange translation	-	-	-	418
Cash and cash equivalents at beginning of the financial year/period	4,504	4,218	6,925	3,986
Cash and cash equivalents at end of the financial year/period	4,218	6,925	3,986	6,066

Please refer to Section 11 of this Prospectus for further discussion on our Group's historical audited combined statements of cash flows.

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2. INFORMATION SUMMARY (Cont'd)

2.9 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, certain risks and investment considerations (which may not be exhaustive and may occur either individually or in combination, at the same time or around the same time) that may affect our future financial performance. The following is a summary of the key risks and investment considerations that we are currently facing or that may develop in the future:-

2.9.1 Risks relating to the business and operations of our Group

- (i) We are dependent on our Executive Directors for continued success and the loss of their continued services may affect our business;
- (ii) We rely on foreign workers in our manufacturing operations;
- (iii) We are subject to fines and penalties if we fail to comply with applicable laws, regulations and licensing requirements;
- (iv) We are subject to risks relating to the economic, political, legal or social environment in the markets in which we operate;
- (v) Our business is exposed to sudden and unexpected equipment failures and natural disasters which may lead to interruptions in our operations;
- (vi) We may not be able to effectively manage our growth or successfully implement our business plans and strategies;
- (vii) We are subject to the volatility in prices of our raw materials;
- (viii) Our insurance coverage may not be adequate to cover all losses or liabilities that may arise in connection with our operations;
- (ix) We may not be able to secure funding, especially on terms acceptable to us, to meet our future capital needs;
- (x) We are exposed to foreign exchange transaction risks;
- (xi) We may not continue to be profitable in the future or be able to achieve increasing or consistent levels of profitability;
- (xii) The lack of long-term contracts may result in the fluctuation in our Group's performance;
- (xiii) We are dependent on the healthcare services industry for our success and growth;
- (xiv) We face competition from other industry players; and
- (xv) We may be adversely affected by product defects, and this may lead to liability claims and may result in negative perception towards our products and/or our Group.

2. INFORMATION SUMMARY (Cont'd)

2.9.2 Risks relating to investing in our Shares

- (i) There has been no prior market for our Shares;
- (ii) Our Share price and trading volume may be volatile;
- (iii) Our Promoters will continue to hold a majority of our Shares after the IPO;
- (iv) There may be a potential delay to or failure of our Listing;
- (v) Forward-looking statements are subject to uncertainties and contingencies; and
- (vi) Payment of dividends.

Further information on our risk factors is disclosed under Section 4 of this Prospectus.

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3. PARTICULARS OF THE IPO

3.1 INTRODUCTION

This Prospectus is dated 26 April 2016.

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 its contents.

We have obtained Bursa Securities' approval vide its letter dated 8 January 2016 for admission of our Company to the Official List of the ACE Market of Bursa Securities and for the listing of and quotation for our Company's entire issued and paid-up share capital, including the Issue Shares which is the subject of this Prospectus, on the ACE Market of Bursa Securities. Our Shares will be admitted to the Official List and official quotation will commence upon receipt of confirmation from the Issuing House 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 Issue Shares will be conditional upon the permission being granted by Bursa Securities to deal in and for listing of and quotation for our entire issued and paid-up share capital on the ACE Market of Bursa Securities. Accordingly, monies paid in respect of any Application accepted from the IPO will be returned in full without interest within 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.

Bursa Securities assumes no responsibility for the correctness of any statement made or of any opinion or report expressed in this Prospectus. Our admission to the Official List of the ACE Market of Bursa Securities shall not be taken as an indication of the merits of our Company, our Shares or our IPO.

Pursuant to Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed our Shares as a Prescribed Security. Therefore, we will deposit the Issue Shares directly with Bursa Depository. Any dealings in these Shares will be carried out in accordance with the Central Depositories Act and the Rules. We will not issue any share certificates to successful applicants.

Pursuant to the Listing Requirements, at least 25% of the total number of shares for which the listing is sought must be in the hands of a minimum number of 200 public shareholders holding not less than 100 Shares each upon admission to the ACE Market of Bursa Securities. 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 ACE Market of Bursa Securities. In such an event, we will return all the monies paid in respect of all Applications 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 Issue Shares. Please refer to **Section 15** of this Prospectus for further details on the procedures for Application for the Issue Shares.

No person is authorised to give any information or to 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 the affairs of our Group since the date hereof.

3. PARTICULARS OF THE IPO (Cont'd)

The distribution of this Prospectus and the making of this IPO in certain other jurisdictions outside Malaysia may be restricted by law. The distribution of this Prospectus and the sale of any part of our Issue Shares are subject to the Malaysian laws and we, together with AIBB as our Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, take no responsibility for the distribution of this Prospectus and the offer of any part of our Issue Shares outside Malaysia, which may be restricted by law in certain other jurisdictions. Persons who may come into possession of this Prospectus are required to inform themselves of and to observe such restrictions. This Prospectus does not constitute and may not be used for the purpose of an invitation and/or offer to subscribe for our Issue Shares in any jurisdictions in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

If you are in any doubt about any information contained in this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

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3. PARTICULARS OF IPO (Cont'd)**3.2 INDICATIVE TIMETABLE**

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

Event(s)	Tentative Date(s)
Issuance of this Prospectus/Opening of the application period for the IPO	26 April 2016
Closing of the application period for the IPO	4 May 2016
Balloting of the Applications for the Issue Shares	6 May 2016
Allotment of Issue Shares to successful applicants	12 May 2016
Listing date	16 May 2016

This timetable is tentative and is subject to changes, which may be necessary to facilitate the implementation procedures. The application period for the IPO will close at the date stated above or such further period or periods as our Directors, together with the Sole Underwriter, in their absolute discretion may mutually decide.

In the event the closing date of the application period is extended, we will advertise the notice of the extension in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia prior to the original closing date of the application period. Following this, we will extend the dates for the balloting of the Applications, allotment of Issue Shares and Listing accordingly.

3.3 PURPOSES OF THE IPO

The purposes of the IPO are as follows:-

- (i) To obtain the listing of and quotation for the entire issued and paid-up share capital of our Company on the ACE Market of Bursa Securities, which is expected to enhance our business, profile and future prospects;
- (ii) To provide our Group with access to the capital markets and allow us to raise funds for future expansion and growth and to meet our general working capital requirements for present and future operations of our Group;
- (iii) To enhance the stature of our Group in the marketing of our products and services, and to retain, and attract new and skilled employees;
- (iv) To provide an opportunity for Malaysian investors to participate in our equity and continuing growth in the healthcare furniture and equipment industry; and
- (v) To assist our Group in expanding our customer base in Malaysia and abroad.

3. PARTICULARS OF IPO (Cont'd)**3.4 SHARE CAPITAL AND RIGHTS ATTACHING TO THE ISSUE SHARES**

	No. of Shares	Share Capital (RM)
Authorised share capital	500,000,000	50,000,000
Issued and fully paid-up share capital as at the date of this Prospectus	315,800,000	31,580,000
New Shares to be issued pursuant to the Public Issue	113,000,000	11,300,000
Enlarged share capital upon Listing	428,800,000	42,880,000
Issue Price		0.20
		RM
- Pro forma consolidated NA per Share <i>(based on our enlarged issued and paid-up share capital after the IPO and after deducting the estimated listing expenses of approximately RM2.500 million)</i>		0.13
- Market capitalisation upon Listing <i>(based on the Issue Price and our enlarged issued and paid-up share capital after the IPO)</i>		85,760,000

The Issue Price is payable in full upon Application.

We only have one (1) class of shares, being ordinary shares of RM0.10 each, all of which rank equally with each other. The Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued share capital which are fully paid-up including voting rights and rights to all dividends and distributions that may be declared, the entitlement date of which is subsequent to the allotment date of our Shares.

Subject to special rights attaching to any Share which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on our Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions, and the whole of any surplus in the event of our liquidation, such surplus to be distributed amongst the members in proportion to the capital paid-up at the commencement of the liquidation, in accordance with our Articles of Association and provisions of the Act.

Each shareholder shall be entitled to vote at any of our general meetings in person, by proxy or by duly authorised representative for a corporation or by attorney, and, on a show of hands, every person present who is a shareholder, or a representative, proxy or attorney of a shareholder, shall have one (1) vote, and on a poll, every shareholder present in person, by proxy, by attorney or by duly authorised representative for a corporation shall have one (1) vote for each of our Shares held. A proxy may but need not be our member.

3. PARTICULARS OF IPO (Cont'd)

3.5 DETAILS OF THE IPO**3.5.1 Public Issue**

The Public Issue of 113,000,000 new LKL International Shares, representing approximately 26.35% of our enlarged issued and paid-up share capital, at the Issue Price, payable in full on Application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:-

(i) Malaysian Public

8,000,000 new LKL International Shares, representing approximately 1.86% of our enlarged issued and paid-up share capital, will be made available for application by the Malaysian Public via balloting, of which at least 50% is to be set aside strictly for Bumiputera investors.

The basis of allocation shall take into account the desirability of distributing the Issue Shares to a reasonable number of applicants in view of broadening the shareholding base of our Company to meet the public spread requirements, and to establish a liquid and adequate market in the Shares. Applicants will be selected in a manner to be determined by our Directors.

(ii) Eligible Directors, employees and persons who have contributed to the success of our Group

13,200,000 new LKL International Shares, representing approximately 3.08% of our enlarged issued and paid-up share capital, will be made available for application by our eligible Directors, employees and persons who have contributed to the success of our Group. Further details of our Pink Form Allocations are set out in Section 3.8 of this Prospectus.

(iii) Private placement to selected investors

42,200,000 new LKL International Shares, representing approximately 9.84% of our enlarged issued and paid-up share capital, will be made available by way of placement to selected investors.

(iv) Bumiputera Investors Approved by the MITI

49,600,000 new LKL International Shares, representing approximately 11.57% of our enlarged issued and paid-up share capital, will be made available by way of placement to Bumiputera investors approved by the MITI.

3. PARTICULARS OF IPO (Cont'd)

3.5.2 Underwriting Arrangement and Reallocation

All the 21,200,000 Issue Shares available for application by the Malaysian Public and our eligible Directors, employees and persons who have contributed to the success of our Group under Section 3.5.1(i) and Section 3.5.1(ii) of this Prospectus have been underwritten. Irrevocable written undertakings to subscribe for the 91,800,000 Issue Shares under Section 3.5.1(iii) and Section 3.5.1(iv) have been obtained from the selected investors and the respective MITI approved Bumiputera investors respectively and as such, will not be underwritten.

Any of the 49,600,000 Issue Shares not subscribed for by the MITI approved Bumiputera investors under Section 3.5.1(iv) of this Prospectus shall be made available for application by the Bumiputera public as part of the IPO balloting process. Thereafter, any Issue Shares that were reallocated to the Bumiputera public (as part of the IPO balloting process) and not taken up by the Bumiputera public, shall be made available for application by the Malaysian Public, our eligible Directors, employees and persons who have contributed to the success of our Group and/or private placement to selected investors.

Any of the 13,200,000 Issue Shares which are not taken up by our eligible Directors, employees and persons who have contributed to the success of our Group under Section 3.5.1(ii) of this Prospectus will be re-offered to our Group's other eligible Directors, employees or persons who have contributed to the success of our Group. Subsequently, any of the unsubscribed Issue Shares re-offered which are not taken up will be offered for application by the Malaysian Public. Likewise, any Issue Shares which are not subscribed under Section 3.5.1(i) of this Prospectus will be offered to our eligible Directors, employees and persons who have contributed to the success of our Group.

In addition, any of the Issue Shares not subscribed under Section 3.5.1(i) and Section 3.5.1(ii) of this Prospectus will be made available to selected investors via private placement. Thereafter, any remaining re-offered Issue Shares under Section 3.5.1(i) and Section 3.5.1(ii) of this Prospectus that are not subscribed for will then be subscribed by the Sole Underwriter based on the terms of the Underwriting Agreement.

Please refer to Section 3.10.2, Section 3.10.3 and Section 3.10.4 of this Prospectus for further details on the underwriting and placement arrangements respectively.

There is no over-allotment or "greenshoe" option that will result in an increase in the amount of Issue Shares.

3. PARTICULARS OF IPO (Cont'd)**3.6 BASIS OF ARRIVING AT THE ISSUE PRICE**

Our Directors and AIBB, as the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, had determined and agreed upon the Issue Price, after taking into consideration the following factors:-

(i) Financial and operating history

We have been actively involved in the healthcare furniture and equipment industry since the commencement of our operations in 1996. Based on the historical audited combined statements of profit or loss and other comprehensive income of our Group for the FYE 30 April 2015, we recorded a PAT of RM5.962 million representing a basic EPS of 1.89 sen (based on the existing issued and paid-up share capital of RM31,580,000 comprising 315,800,000 Shares) and 1.39 sen (based on the enlarged issued and paid-up share capital of RM42,880,000 comprising 428,800,000 Shares upon Listing) resulting in net PE Multiple of 10.58 times and 14.39 times respectively. Our detailed operating and financial history is outlined in Section 5 and Section 11 of this Prospectus respectively.

(ii) Future plans and strategies

Going forward, our Group will continue to seek local market opportunities and strengthen our presence in Malaysia, grow our sales in our existing export markets and strengthen our global footprint by progressively expanding to new geographical markets. We also aim to acquire new machinery to increase automation in our manufacturing processes and expand our manufacturing plant to facilitate our plans for greater automation as well as to increase our storage area. Please refer to Section 5.8.1 of this Prospectus for further details on our future plans and strategies.

(iii) Competitive strengths and prospects of our Group and industry prospects

The competitive strengths and the prospects of our Group and the industry prospects are outlined in Section 5.1.2, Section 5.8.2 and Section 6 of this Prospectus respectively.

(iv) Pro forma consolidated NA

The pro forma consolidated NA per Share as at 31 October 2015 of RM0.13 based on the enlarged issued and paid-up share capital of 428,800,000 Shares in our Company upon Listing and after utilisation of proceeds.

(v) Prevailing market conditions

The prevailing market conditions include, amongst others, current market trends and investors' sentiments.

You should also note that the market price of our Shares upon and subsequent to our Listing is subject to the vagaries of market forces and other uncertainties, which may affect the trading price of our Shares. You are reminded to consider the risk factors set out in Section 4 of this Prospectus before deciding to invest in our Shares.

3. PARTICULARS OF IPO (Cont'd)**3.7 DILUTION**

Our pro forma NA per Share as at 31 October 2015 after Acquisition of LKL Advance Metaltech, before adjusting for the net proceeds from the Public Issue and based on the existing issued and paid-up share capital as at 31 October 2015 of RM31,580,000 comprising 315,800,000 Shares is approximately RM0.11.

Pursuant to the Public Issue in respect of 113,000,000 Issue Shares at the Issue Price, our pro forma NA per Share after adjusting for the net proceeds from the Public Issue (before utilisation of proceeds) and based on the enlarged issued and paid-up share capital upon listing of 428,800,000 Shares, would be RM0.13. This represents an increase in NA per Share of RM0.02 to our existing shareholders and a dilution in NA per Share of RM0.07 to our new investors. The following table illustrates such dilution on a per Share basis:-

	RM
Issue Price	0.20
Pro forma NA per Share as at 31 October 2015 after Acquisition of LKL Advance Metaltech (before Public Issue)	0.11
NA per Share after the Public Issue (before utilisation of proceeds)	0.13
Increase in NA per Share attributable to existing shareholders	0.02
Dilution in NA per Share to new investors	0.07
Dilution in NA per Share as a percentage of the Issue Price	35.00%

Save as disclosed below, there is no acquisition of any existing equity securities in our Company by our Directors, Promoters, substantial shareholders or key management, or persons connected with them from the date of our incorporation to the date of this Prospectus, or which they have the right to acquire:-

Promoters, Directors, substantial shareholders and key management	No. of Shares before IPO	No. of Shares from IPO*	Total consideration RM	Effective cash cost per share RM
Promoters, Directors, substantial shareholders and key management				
Lim Kon Lian	110,003,745 [#]	-	11,000,374.50	0.10
Mok Mei Lan	110,003,725	-	11,000,372.50	0.10
Promoters, substantial shareholders and key management				
Lim Pak Hong	33,685,270	200,000	3,408,527.00	0.10
Elaine Lim Sin Yee	33,685,270	250,000	3,418,527.00	0.10
Promoter and key management				
Lim Ming Chang	-	300,000	60,000.00	0.20
Promoter				
Tan Lee Ching	-	100,000	20,000.00	0.20

3. PARTICULARS OF IPO (Cont'd)

Promoters, Directors, substantial shareholders and key management	No. of Shares before IPO	No. of Shares from IPO*	Total consideration RM	Effective cash cost per share RM
Substantial shareholder and Director				
Tan Chuan Hock	28,421,990	350,000	2,912,199.00	0.10
Directors				
Tan Sri Datuk Adzmi Bin Abdul Wahab	-	350,000	70,000.00	0.20
Tevanaigam Randy Chitty	-	350,000	70,000.00	0.20
Selma Enolil Binti Mustapha Khalil	-	350,000	70,000.00	0.20
Other key management				
Wee Chuen Lii	-	150,000	30,000.00	0.20
Lee Kah Earng	-	300,000	60,000.00	0.20
Lee Kam Weng	-	100,000	20,000.00	0.20
Public Investors		113,000,000 [^]	22,600,000.00	0.20

Notes:-

- * Assuming that all Pink Form Allocations are fully subscribed.
Include ten (10) Shares that were transferred from our Company's previous shareholder.
[^] Prior to netting off the Pink Form Allocations.

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3. PARTICULARS OF IPO (Cont'd)**3.8 ALLOCATION OF THE ISSUE SHARES TO OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP**

The eligible Directors, employees and persons who have contributed to the success of our Group have been allocated a total of 13,200,000 new LKL International Shares.

The total number of persons eligible for the allocation is 147 comprising the following:-

Eligibility	No. of persons	Aggregate number of Issue Shares allocated⁽³⁾
Directors of LKL International	4	1,400,000
Employees ⁽¹⁾	95	7,210,000
Persons who have contributed to the success of our Group ⁽²⁾	48	4,590,000
Total	147	13,200,000

Notes:-

- (1) *The criteria of allocation for the above mentioned Issue Shares to employees of our Group (as approved by our Board) are based on, inter-alia, the following factors:-*
- i. The employee must be a full time employee and on the payroll of our Group; and*
 - ii. The number of Issue Shares allocated to the eligible employees is based on their seniority, position, their length of service, their past performance and respective contribution made to our Group as well as other factors deemed relevant by our Board.*
- (2) *The Issue Shares to be allocated to the persons who have contributed to the success of our Group shall be based on their contribution to our Group and as approved by our Board. The persons who have contributed to the success of our Group include business contacts, suppliers and customers.*
- (3) *Any Issue Shares which are not taken up by our eligible Directors, employees or persons who have contributed to the success of our Group will be re-offered to our Group's other eligible Directors, employees or persons who have contributed to the success of our Group before being allocated to the Malaysian Public balloting portion.*

The number of Issue Shares to be allocated to our Directors are as follows:-

Name	Designation	Number of Issue Shares allocated
Tan Sri Datuk Adzmi Bin Abdul Wahab	Independent Non-Executive Chairman	350,000
Tan Chuan Hock	Non-Independent Non-Executive Director	350,000
Tevanaigam Randy Chitty	Senior Independent Non-Executive Director	350,000
Selma Enolil Binti Mustapha Khalil	Independent Non-Executive Director	350,000
Total		1,400,000

3. PARTICULARS OF IPO (Cont'd)

3.9 UTILISATION OF PROCEEDS FROM THE IPO

The total gross proceeds from the Public Issue will amount to RM22.600 million based on the Issue Price. We expect the proceeds to be utilised in the following manner:-

Purposes	RM'000	%	Estimated time frame for utilisation (from the listing date)
Capital expenditure ⁽ⁱ⁾	8,500	37.61	Within 18 months
Repayment of bank borrowing ⁽ⁱⁱ⁾	3,995	17.68	Within 12 months
Working capital ⁽ⁱⁱⁱ⁾	7,605	33.65	Within 24 months
Estimated listing expenses ^(iv)	2,500	11.06	Within three (3) months
Total	22,600	100.00	

Pending the eventual utilisation of the proceeds raised from the Public Issue, the funds will be placed in interest bearing short-term deposits or money market instruments with licensed financial institutions.

Notes:-

(i) Capital expenditure

We have earmarked RM8.500 million of our gross proceeds from the Public Issue for the purchase of three (3) machines. The details of the machines and breakdown of the estimated costs for each of the machine are as follows:-

Details	Estimated cost RM'000
CNC laser shearing machinery for high-speed sheet shearing and high-precision profile machining	2,500
CNC laser cutting machinery for high-speed tube cutting and high-precision profile machining	4,500
CNC punching machine for high-speed punching	1,500
Total	8,500

These machines will allow for high-speed precision shearing, cutting, and punching, which will increase our operating efficiencies and process accuracies. Further, these machinery will also allow for high-precision profile machining or shaping, enabling us to refine our product finishing through cutting/shaping of complex geometries and patterns, and on thin-walled tubes and profiles without deformation. In addition, with faster and more precise shearing, cutting, shaping and punching processes, wastages will be minimised and will contribute to better cost control and savings for our Group.

As with any manufacturer relying on manual labour in their manufacturing processes, wastages tend to occur due to:-

- (i) defects found during in-process quality control checks arising from human errors; and
- (ii) handling and movement of work-in-progress materials to perform various tasks leading to numerous temporary storage areas and damaged materials from excessive handling and movement.

The abovementioned factors lead to steel material wastages from our cutting, shearing, shaping and punching process of less than RM0.015 million per annum. We expect to minimise these wastages with the acquisition of these CNC machinery due to improved efficiency and accuracy.

3. PARTICULARS OF IPO (Cont'd)

Further to the minimisation of wastages in steel material, there will also be lower dependency on human labour in our cutting, shearing, shaping and punching process and consequently an expansion in production capacity in other manufacturing departments (i.e. welding, assembly and quality control), with the acquisition of these new CNC machinery. This is because the number of workers required to perform cutting, shearing, shaping and punching process is expected to be reduced by approximately five (5) persons, from 15 workers presently to ten (10) workers. As such, we expect to enjoy a minimum cost savings of approximately RM0.060 million per annum from the reduced number of workers required to perform the abovementioned processes as these five (5) workers can be reallocated to other manufacturing departments. Assuming that five (5) of these workers are reallocated to the assembly team, we expect the maximum annual production capacity for medical/healthcare beds, peripherals and accessories post acquisition of the CNC machinery to increase by approximately 30%.

As at 31 October 2015, we own 15 units of semi-automated shearing, cutting and punching machinery, where manual handling is required. With the new CNC machinery, we may dispose off seven (7) units of the existing machinery for an expected total disposal consideration of between RM0.015 million to RM0.020 million.

The actual cost of the machinery can only be determined at a later stage, i.e. upon confirmation of order, due to the fluctuation in foreign currency exchange. In the event that the actual cost for the purchase of machinery is higher than budgeted, the deficit will be funded out of the portion allocated for working capital and vice versa.

(ii) Repayment of bank borrowing

We intend to utilise RM3.995 million of our gross proceeds from the Public Issue to repay bank borrowing which was used to purchase of Factory Lot No. 15, the details are as set out in the table below:-

Banking facility	Detail	Interest rate	Maturity date	Balance	Amount to be repaid
				as at the LPD	from gross proceeds
				RM'000	RM'000
Term loan	Purchase of Factory Lot No. 15	BLR - 2.20%	April 2035	3,995	3,995

The repayment of this term loan is expected to have a positive financial impact on our Group by resulting in total interest savings of approximately RM2.068 million based on the existing prevailing interest rate of 4.65%.

(iii) Working capital

RM7.605 million of the total gross proceeds from the Public Issue will be utilised for our Group's day-to-day operations to support our existing business operations, details of which are as follows:-

Purposes	Approximate allocation	
	RM'000	%
Payment of salaries ^(a)	3,265	42.93
Procurement of raw materials and supplies ^(b)	2,750	36.16
Operating expenses ^(c)	1,590	20.91
Total	7,605	100.00

(a) Our Group's payroll expenses are expected to increase in tandem with the increase of our scale of operations.

3. PARTICULARS OF IPO (Cont'd)

- (b) *In line with our Group's expected expansion and business growth, our Group expects to utilise more raw materials and supplies for our manufacturing activities, which include, but not limited to, steel materials (comprising sheets, tubes and bars) as well as electrical components.*
- (c) *Defrayment of operating expenses mainly for production overheads and selling and distribution expenses, which is expected to increase with the increase in our scale of operations and business growth.*

The utilisation of our gross proceeds from the Public Issue for working capital purposes is expected to improve our Group's liquidity and enable the smooth conduct of our operations.

(iv) Estimated listing expenses

Our listing expenses are estimated to be RM2.500 million, details of which are as follows:-

	RM'000
<i>Professional fees</i>	1,600
<i>Fees to authorities</i>	70
<i>Estimated underwriting, placement and brokerage fees</i>	300
<i>Printing and advertising</i>	170
<i>Contingencies</i>	360
Total	2,500

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

There is no minimum subscription to be raised from the IPO.

The financial impact of the utilisation of proceeds on our Pro Forma Consolidated Statements of Financial Position as at 31 October 2015 is reflected in Section 11.2 of this Prospectus.

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3. PARTICULARS OF IPO (Cont'd)

3.10 BROKERAGE, UNDERWRITING COMMISSION AND PLACEMENT FEE

3.10.1 Brokerage

We will bear the brokerage fees to be incurred on the issue of the 8,000,000 Issue Shares pursuant to the IPO under Section 3.5.1(i) of this Prospectus at the rate of one percent (1.0%) of the Issue Price in respect of successful Applications which bear the stamp of AIBB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

3.10.2 Underwriting commission

Our Sole Underwriter has agreed to underwrite 21,200,000 Issue Shares as set out in Section 3.5.1(i) and Section 3.5.1(ii) of this Prospectus. We will pay our Sole Underwriter an underwriting commission at the rate of 2.00% of the total value of the Shares underwritten at the Issue Price.

3.10.3 Placement fee

AIBB, as our Placement Agent, has agreed to place the Issue Share available under the placement to selected investors as set out in Section 3.5.1(iii) of this Prospectus, at the rate of 1.50% of the Issue Price for each Issue Share successfully placed out by the Placement Agent.

Our Company will also pay a management fee at the rate of 0.50% of the total value of the Issue Shares at the Issue Price to selected investors and MITI approved Bumiputera investors as set out in Section 3.5.1(iii) and Section 3.5.1(iv) of this Prospectus respectively.

3.10.4 Salient terms of the Underwriting Agreement

Our Company had on 22 March 2016, entered into an Underwriting Agreement with the Sole Underwriter, whereby the Sole Underwriter agreed to underwrite 8,000,000 Issue Shares, which will be made available for subscription by the Malaysian Public and 13,200,000 Issue Shares, which will be made available for subscription by our eligible Directors, employees and persons who have contributed to the success of our Group ("**Underwritten Shares**"), upon the terms and subject to the conditions therein contained.

The salient terms of the Underwriting Agreement are as follows:-

- (i) *Pursuant to Clause 5.1 of the Underwriting Agreement, unless waived by the Sole Underwriter (in which case any condition precedent or any part thereof so waived shall be deemed to have been satisfied), the obligations of the Sole Underwriter under the Underwriting Agreement shall be conditional upon the fulfilment and/or satisfaction of the following:-*
 - (a) *the approvals of Bursa Securities (for, inter alia, the listing of and quotation for the Company's entire enlarged issued and paid-up share capital of RM42,880,000 comprising 428,800,000 ordinary shares of Ringgit Malaysia Ten Sen (RM0.10) only each on the ACE Market of Bursa Securities) obtained by its letter dated 8 January 2016 remaining valid and have not been revoked or amended and all the conditions imposed therein which have to be complied by the Company prior to Listing, have been complied by the Company;*

3. PARTICULARS OF IPO (Cont'd)

- (b) *the receipt by AIBB of all relevant documentation and placement monies in respect of the private placement of 42,200,000 Issue Shares to selected investors;*
- (c) *all other necessary approvals and consents required in relation to the Public Issue and the Issue Shares including but not limited to governmental approvals having been obtained and are in full force and effect;*
- (d) *the issue of the Issue Shares having been approved by the shareholders of the Company in an extraordinary general meeting;*
- (e) *the issue and subscription of the Issue Shares in accordance with the provisions of the Underwriting Agreement is 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);*
- (f) *the Prospectus having been lodged with the ROC and registered with the SC together with all the required documents in accordance with the CMSA, the Act and the relevant laws and regulations;*
- (g) *there having been, on or prior to the Closing Date or the Extended Closing Date, as the case may be, no material breach of any representation, warranty, covenant, undertaking or obligation of the Company in the Underwriting Agreement or which is contained in any certificate, statement, or notice provided under or in connection with the Underwriting Agreement or which proves to be incorrect in any material respect;*

“Closing Date” means the last date and time for the receipt of the applications and payment for the Issue Shares in accordance with the Prospectus or such later date as the Company and the Sole Underwriter may mutually agree upon;

“Extended Closing Date” means the extended closing date for the receipt of the applications and payment for the Issue Shares pursuant to the Public Issue which will be notified in a widely circulated Bahasa Malaysia and English daily newspaper in Malaysia.

- (h) *there having been, on or prior to the Closing Date or the Extended Closing Date, as the case may be, no material adverse change, or any development involving a prospective material adverse change, in the financial condition or business or operations of the Group or in the prospects or future financial condition or business or operations of the Group (which in the reasonable opinion of the Sole Underwriter, is or will be material in the context of the Public Issue and the sale of any Underwritten Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering materially inaccurate, untrue or incorrect to such extent which is or will be material in any of the representations, warranties, covenants and undertakings and obligations of the Company herein contained;*
- (i) *the Sole Underwriter receiving a copy certified by a director or secretary of the Company to be a true resolution of the Board of Directors of the Company approving the Listing, the Prospectus and the Underwriting Agreement, the issue and offer of the Issue Shares and authorising a person or persons to sign the Underwriting Agreement on behalf of the Company; and*

3. PARTICULARS OF IPO (Cont'd)

- (j) *the Sole Underwriter having been satisfied that arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 15 (Costs and Expenses) of the Underwriting Agreement.*
- (ii) *Pursuant to Clause 5.2 of the Underwriting Agreement, in the event any of the conditions set forth in Clause 5.1 of the Underwriting Agreement are not satisfied on or before the Closing Date, the Sole Underwriter shall, subject as mentioned below, be entitled to forthwith terminate the Underwriting Agreement by notice in writing given to the Company whereupon the following shall take place within three (3) Market Days of the receipt of such notice:-*
- (a) *the Company shall make payment of the Underwriting Commission to the Sole Underwriter; and*
- (b) *each party shall return all other monies (in the case of the Sole Underwriter, after deducting the Underwriting Commission due and owing to the Sole Underwriter hereunder) paid to the other under the Underwriting Agreement (except for monies paid by the Company for the payment of the expenses as provided hereunder);*

and thereafter, the Underwriting Agreement shall be terminated and of no further force and effect and none of the parties shall have a claim against the other, save and except in respect of any antecedent breaches. The Sole Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Sole Underwriter's rights under the Underwriting Agreement.

- (iii) *Pursuant to Clause 12.1 of the Underwriting Agreement, notwithstanding anything herein contained, the Sole Underwriter may by notice in writing to the Company given at any time before the Closing Date or the Extended Closing Date, as the case may be, terminate, cancel and withdraw its commitment to underwrite the Underwritten Shares if:-*
- (a) *the approval of Bursa Securities for the Listing is revoked, withdrawn or procured but subject to the conditions not acceptable to the Sole Underwriter;*
- (b) *there is any material breach by the Company of any of the representations, warranties or undertakings contained in Clauses 3 (Representations and Warranties by the Company) and 4 (Covenants and Undertakings by the Company), which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to the Company; or*
- (c) *there is a material failure on the part of the Company to perform any of its obligations herein contained; or*
- (d) *there is withholding of information of a material nature from the Sole Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution or sale of the Issue Shares; or*
- (e) *there shall have occurred, or happened any material and adverse change in the business or financial condition of the Group; or*

3. PARTICULARS OF IPO (Cont'd)

- (f) *the imposition of any moratorium, suspension or material restriction on trading in securities generally on ACE Market of Bursa Securities due to exceptional financial circumstances or otherwise which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution or sale of the Issue Shares; or*
- (g) *a material adverse change in the stock market condition occurs, and for the purposes of this clause, a material adverse change in the stock market condition shall be deemed to have occurred if the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:-*
- (i) *on or after the date of the Underwriting Agreement; and*
- (ii) *prior to the close of the offering of the Public Issue,*
- lower than 85% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) Market Days or any other adverse change in the market conditions which the parties mutually agree to be sufficiently material and adverse to render it to be a terminating event; or*
- (h) *there shall have occurred, or happened any of the following circumstances:-*
- (i) *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*
- (ii) *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 Sole 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, 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 as a whole, the success of the Public Issue which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

3. PARTICULARS OF IPO (Cont'd)

3.11 FINANCIAL IMPACTS FROM THE IPO

The financial impacts from the utilisation of proceeds from the Public Issue are envisaged to be as follows:-

3.11.1 Increase in capital expenditure

We have allocated RM8.500 million of the proceeds from the Public Issue for the purchase of three (3) new machines. This would help to increase our operating efficiencies and process accuracies. The allocation of proceeds from the Public Issue augurs well with our future plans and strategies which are disclosed in Section 5.8.1 of this Prospectus.

3.11.2 Interest savings

The repayment of our bank borrowings of RM3.995 million from the proceeds from the Public Issue would help us to have total interest savings of approximately RM2.068 million. In addition, this would also lower our Group's overall gearing ratio and reduce our financial obligation. Please refer to Section 3.9 of this Prospectus for further details.

3.11.3 Enhancement of working capital

The additional working capital of RM7.605 million arising from the Public Issue is expected to strengthen our liquidity and cash flow position and enable us to conduct our day-to-day operations without being overly dependent on external funding.

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4. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE AND MAY OCCUR EITHER INDIVIDUALLY OR IN COMBINATION, AT THE SAME TIME OR AROUND THE SAME TIME) THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF OUR GROUP. YOU SHOULD CAREFULLY CONSIDER THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW ALONG WITH OTHER INFORMATION CONTAINED HEREIN IN THIS PROSPECTUS BEFORE YOU MAKE YOUR INVESTMENT DECISION. IF YOU ARE IN ANY DOUBT AS TO THE INFORMATION CONTAINED IN THIS SECTION, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW ARE NOT AN EXHAUSTIVE LIST OF THE CHALLENGES THAT WE CURRENTLY FACE OR THAT MAY DEVELOP IN THE FUTURE. ADDITIONAL RISKS, WHETHER KNOWN OR UNKNOWN, MAY HAVE A MATERIAL ADVERSE EFFECT ON THE FINANCIAL PERFORMANCE OF OUR GROUP.

4.1 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF OUR GROUP

4.1.1 We are dependent on our Executive Directors for continued success and the loss of their continued services may affect our business

Our success will depend on the continuing contribution of our Co-Founders and Executive Directors, namely Lim Kon Lian and Mok Mei Lan, for the strategic direction, leadership, business planning and development, and management of our Group. Our Executive Directors have played a pivotal role in our day-to-day operations as well as charting, formulating and implementing strategies to drive the future growth of our Group.

The loss of any of our Executive Directors, and our inability to find a suitable replacement in a timely manner, may adversely affect our ability to maintain and/or improve our business performance. As such, our ability to retain and also attract competent and skilled personnel is crucial for our continued success, future business growth and expansion.

We have currently put in place a management succession plan which includes taking a proactive approach towards addressing talent management in order to ensure that the key management personnel of our organisation has the capability to undertake leadership positions. Our key management personnel are constantly exposed to various aspects of our business activities to ensure that they have full understanding on the necessary responsibilities and decision-making process. Our Group General Manager, Lim Pak Hong, has been earmarked as the successor to our Managing Director, Lim Kon Lian, and is actively involved in overseeing the management and operations of our Group. Please refer to Section 7.8 of this Prospectus for details on our Group's management succession planning.

4.1.2 We rely on foreign workers in our manufacturing operations

We rely to a certain extent on foreign workers, particularly in our manufacturing operations. In the last three (3) FYE 30 April 2013 to 2015 and six (6)-month FPE 31 October 2015, our foreign workers have increased from 41 to 50 to 68 and decreased to 59 employees, representing 30.37%, 33.78%, 37.78% and 34.50% of our total workforce respectively. Our foreign workers are currently primarily from Nepal.

As the standard of living in Malaysia improves over time, we have found it increasingly difficult to hire local production workers for our manufacturing operations, and this difficulty may increase in the future. Currently, we obtain one-year visit pass (temporary employment) for our foreign workers, which are renewed on a yearly basis.

4. RISK FACTORS (Cont'd)

If foreign worker visitor's pass or visa policies in Malaysia, or in the countries in which we employ our foreign workers from, were to change in any way resulting in difficulties for our Group to maintain a sufficient foreign labour workforce, our business, financial condition and results of operations could be materially and adversely affected. In addition, our Group's anticipated business growth is also subject to the expansion in our manufacturing operations, which would require a subsequent increase in labour to meet increased manufacturing activities.

In February 2016, the Government announced its decision to suspend the intake of foreign workers from all countries, in an effort to encourage the local workforce to meet existing demand. This may result in our Group facing difficulties in hiring new foreign workers, both to meet increased activities of our Group and as replacement workers. If this happens, our Group will endeavour to mitigate any adverse impact arising out of the inability to hire new foreign workers by hiring local workers. However, the hiring of local workers may come at a higher cost, at which our management will take necessary cost saving measures to minimise the impact on the financial performance of our Group. Further, as set out in Section 5.8.1(iv) of this Prospectus, our Group aims to acquire new machinery to increase automation in our manufacturing processes, and as a result, this may also reduce our reliance on manual labour in our operations.

4.1.3 We are subject to fines and penalties if we fail to comply with applicable laws, regulations and licensing requirements

We require various approvals, licences, permits and certificates to operate our business and facilities, which are set out in Section 5.7.9 of this Prospectus. We may be required to renew these approvals, licences, permits and certificates or to obtain new approvals, licences, permits and certificates.

The medical bed, peripheral and accessory industry is subject to Government regulations pertaining to the quality of the products that are manufactured and sold. In Malaysia, the MDA regulates the industry by monitoring the quality and standards of all medical devices imported, exported or placed in the market. Under the Medical Device Act 2012 (Act 737), no medical device shall be imported, exported or placed in the market unless it is registered.

Notwithstanding this, the Medical Device (Exemption) Order 2015 permits persons who made an application to register a medical device on or prior to 30 June 2016 to continue to import, export or place in the market such medical device pending registration. As such, we are permitted to import, export or place in the market such medical devices for which we have made applications, pending its registration.

For any applications made after 30 June 2016, we will not be able to import, export or place in the market such medical devices without registration of such medical devices unless further exemptions similar to the Medical Device (Exemption) Order 2015 are made by the Minister of Health.

The MDA will issue a certificate of registration for a medical device upon being satisfied that:-

- (i) the medical device has been subjected to the conformity assessment procedures carried out by an independent conformity assessment body registered under the Medical Device Act 2012 (Act 737);
- (ii) the applicant has complied with all requests by MDA to provide additional information, particulars or document on the application or sample of the medical device; and
- (iii) the MDA having inspected the premises in which the medical device is being manufactured as it considers proper and necessary.

4. RISK FACTORS (Cont'd)

If the above circumstances are not met, then we may not be awarded registration of our medical devices and we will not be able to import, export or place in the market such medical devices.

We are also subject to various health, safety and environmental laws and regulations in Malaysia. These include requirements related to the emission and discharge of hazardous materials into the ground, air or water from our facilities, in particular with regard to the discharge of materials from our manufacturing activities. As these laws and regulations become more stringent, the relevant regulatory authorities may require us to purchase and install new or additional pollution control equipment or to make operational changes to limit actual or potential impacts on the environment or the health of our employees.

While we have not experienced any significant difficulty in renewing and maintaining our approvals, licences, permits and certificates, we cannot assure that in the future the relevant authorities will issue or renew any required approvals, licences, permits or certificates in a timely manner or at all. Failure by us to renew, maintain or obtain the required approvals, licences, permits and certificates may interrupt our operations or delay or prevent the implementation of any capacity expansion or other such projects as undertaken by our Group. We may also be subject to the applicable penalties or fines under the relevant laws or regulations in the event we are deemed to be non-compliant with these licensing requirements. In addition, should there be any subsequent modifications of, additions or new restrictions to the current compliance standards, we may incur additional costs to comply with such new or modified standards. As a result, this may result in a material adverse impact on our business, financial condition and results of our operations.

4.1.4 We are subject to risks relating to the economic, political, legal or social environment in the markets in which we operate

We operate principally in Malaysia and derive a portion of our revenue from businesses outside Malaysia, from over 30 countries across six (6) continents. For the last three (3) FYE 30 April 2013 to 2015 and six (6)-month FPE 31 October 2015, our overseas sales accounted for 22.57%, 21.97%, 19.49% and 25.37% of our total revenue of RM28.077 million, RM38.893 million, RM39.039 million and RM16.057 million respectively.

As we continue to expand our business globally, it is reasonable to expect that our financial condition and results of operations would be affected by the economic, political, legal or social conditions in the countries where we operate, transact business or have interests, making us increasingly susceptible to the operational risks caused by these conditions.

Conducting business in other markets also requires us to comply with foreign laws and regulations covering many aspects of our operations, including trade laws and licensing regulations, and these laws and regulations may change, or may be updated and amended, from time to time. Much of the above changes are beyond our control. Whilst we practise prudent financial management and efficient operating procedures, there can be no assurance that any adverse economic, political and legal developments will not materially affect the performance of our Group.

4. RISK FACTORS (Cont'd)

4.1.5 Our business is exposed to sudden and unexpected equipment failures and natural disasters which may lead to interruptions in our operations

Our Group's manufacturing activities are supported by steel working machinery and equipment such as welding, cutting, bending, punching, drilling and grinding machines. These machinery and equipment may, on occasion, be out of service as a result of unanticipated failures or damages sustained during operations. Further, our manufacturing plant is also subject to catastrophic loss due to natural disasters such as floods and fires. These unexpected events may cause interruptions in, or prolonged suspension of, any substantial part of our manufacturing activities; or any damage to, or destruction of, all or part of our manufacturing plant. In addition, as our manufacturing activities are dependent on continuous supply of electricity, any major disruptions to the supply of electricity may result in interruptions in our operations.

Any prolonged interruptions in our business operations will affect our production schedules and timely delivery of our products to our customers. This could have an adverse impact on our business, financial conditions and results of operations.

We mitigate the risk of machinery and equipment breakdown and failure by ensuring regular maintenance and routine servicing of the machinery and equipment is carried out. Our machinery and equipment suppliers also provide on-site support if required. As at the LPD, we have not encountered any major breakdown or failure in our machinery and equipment that had a material adverse effect on our Group's operation and financial performance.

4.1.6 We may not be able to effectively manage our growth or successfully implement our business plans and strategies

We plan to enhance our market presence through further expansion of our local and overseas businesses. In order to successfully implement our expansion plan, it is imperative that our Group remains competitive, and to do so, we are committed to increasing our operating efficiencies through increased automation and expansion of our manufacturing facilities, and the enhancement of our sales and marketing activities to support our growing network and product base. Please refer to Section 5.8.1 of the Prospectus for further details of our future plans and strategies.

Our expansion plans involve a number of cost-related risks, including but not limited to, capital expenditures incurred in respect of expansion of our manufacturing plant, costs of amalgamating our land and properties, costs of purchasing and installing of new machinery, equipment and software systems, marketing and promotional expenses, as well as other working capital requirements.

Whilst our Executive Directors and key management personnel are experienced in this business and we have sufficient resources at our disposal to execute our business expansion plans, we are not able to guarantee that we will be successful in executing our business expansion plans, nor can we assure that we will be able to anticipate all the business and operational risks arising from our future business plans. Any failure to do so, including any failure or inefficiencies in managing our business growth, may lead to a material adverse effect on our business operations and financial performance.

4. RISK FACTORS (Cont'd)

4.1.7 We are subject to the volatility in prices of our raw materials

Our manufacturing process is dependent on obtaining adequate supply of raw materials on a timely basis and of the required quality. Our major raw material is steel materials (comprising sheets, tubes and bars) as well as electrical components.

The prices of steel sheets, tubes and bars are, amongst others, subject to market supply and demand conditions, prices of raw materials for the production of steel, prevailing energy costs and Governmental regulations. Some of our electrical components are sourced directly from overseas, which is susceptible to foreign currency exchange fluctuations. Any material changes in the conditions of any of the above factors may cause an increase in the price of steel and electrical components, and this may lead to a rise in our cost of production. If we are unable to pass on this rise in raw material cost to our customers, we will be faced with bearing the increased costs and this may have a material impact on our results of operations and business performance. Currently, our Group neither hedges our exposure to the fluctuations in commodity prices and foreign currency exchange nor enter into any long-term raw material supply or foreign exchange contracts.

Nevertheless, to-date, we have managed any fluctuations and volatility in steel material prices and foreign currency exchange through prudent management practices by:-

- keeping in close contact with our suppliers in respect of the movement of prices as well as keeping abreast of market conditions;
- purchasing in bulk and/or by cash, where possible, to optimise discounts from our suppliers and maintain acceptable stock levels; and
- maintaining foreign currency accounts for payment of our foreign purchases and/or receipt of export sales as mentioned in Section 4.1.10 of this Prospectus.

However, we are unable to guarantee that any future abrupt and unexpected increases in prices of raw materials will not materially affect our business and operating results.

4.1.8 Our insurance coverage may not be adequate to cover all losses or liabilities that may arise in connection with our operations

We maintain insurance at levels that are customary in our industry to protect against various losses and liabilities. However, our insurance may not be adequate to cover all losses or liabilities that might be incurred in our operations. For example, while we are insured against losses resulting from fires, we do not maintain insurance against losses at our manufacturing plants as a result of burglary and/or natural disasters.

Moreover, we will be subject to the risk that in the future we may not be able to maintain or obtain insurance of the type and amount desired at reasonable rates. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our business, financial condition and results of operations.

4. RISK FACTORS (Cont'd)

4.1.9 We may not be able to secure funding, especially on terms acceptable to us, to meet our future capital needs

Our ability to obtain external financing and to make timely repayments of our debt obligations are subject to various uncertainties, including our future results of operations, financial condition and cash flows, the performance of the Malaysian economy and the markets for our products, the cost of financing and the condition of financial markets, and the continuing willingness of banks to provide new loans. We cannot assure that any required additional financing, either on a short-term or long-term basis, will be made available to us on terms satisfactory to us or at all.

If adequate funding is not available when needed, or is available only on unfavourable terms, meeting our capital needs or otherwise taking advantage of business opportunities or responding to competitive pressures may become challenging, which could have a material and adverse effect on our business, financial condition and results of operations.

4.1.10 We are exposed to foreign exchange transaction risks

Our export sales are predominantly in USD and SGD, whilst some of our purchases of raw materials are denominated in SGD, USD, GBP and EUR. As a result, we are exposed to fluctuations in foreign currency exchange rates and any adverse movements in the foreign exchange currency markets may have a negative impact on our business performance, financial position and operating results.

Currently, we maintain foreign currency accounts (i.e. USD and EUR) for payments of our foreign purchases and/or receipts of export sales. Our management does not actively hedge our Group's foreign currency exposure. We constantly monitor and review our Group's need to hedge. Should this exposure become substantial, we will consider hedging our position.

Please refer to Section 11.4.1(d)(i) of this Prospectus for further information on our foreign exchange transactions.

4.1.11 We may not continue to be profitable in the future or be able to achieve increasing or consistent levels of profitability

We have, over the years, practised sound financial management via efficient credit control measures, prudent cash flow management and careful consideration of operating expenditure as well as any proposed capital expenditure and its effect on our Group. For the past three (3) FYE 30 April 2013 to 2015 and six (6)-month FPE 31 October 2015, we achieved gross profit margin of 36.77%, 42.00%, 40.05% and 43.24% respectively and PAT margin of 15.81%, 15.44%, 15.27% and 11.10% respectively.

Whilst we would exercise our best endeavour to maintain or increase our gross profit margin and/or our profitability, there is no assurance that our Group's performance will not be adversely impacted by changing market conditions and an evolving competitive environment. We may be unable to sustain our gross profit margin and/or profitability due to continuous changes in market conditions and competitive environment, where our selling prices may be adversely impacted in our efforts to maintain market share.

4. RISK FACTORS (Cont'd)

In addition, according to the IMR Report, the competitive environment of the medical bed, peripheral and accessory industry has evolved in the past in terms of a decrease in dominance of foreign medical bed, peripheral and accessory industry players relative to local industry players, as indicated through a reduction in percentage of imports of the medical bed, peripheral and accessory market size in Malaysia between 2008 and 2014, from 86.7% in 2008 to 40.5% in 2014. While in the past, the changes in the competitive environment of the medical bed, peripheral and accessory industry were in our favour, we are not able to provide assurance that future changes in the competitive environment will not disrupt our Group's ability to continuously remain profitable or be able to consistently achieve our desired levels of profitability.

4.1.12 The lack of long-term contracts may result in the fluctuation in our Group's performance

Our Group's sales are mainly based on purchase orders and occasionally other forms of confirmed orders. We have not entered into any long-term contracts with our customers. The lack of long-term contracts is mainly due to the nature of our business and prevailing customer practices. The absence of long-term contracts may result in the fluctuation of our Group's sales and overall business performance.

However, our Group has established long standing and strong relationships with our customers, including Agents, Distributors and project consultants, and have not, to-date, faced any material fluctuations in our sales as a result of the absence of long-term contracts. Our established relationships with our customers will also provide us with the platform for sustained business continuity and growth.

4.1.13 We are dependent on the healthcare services industry for our success and growth

We serve the healthcare services industry, as our end-users are mainly hospitals and medical centres in the public and private sectors as well as other healthcare-related facilities. Growth in the healthcare services industry depends on various factors, particularly in the number of patient admissions (which are driven by factors such as a rise in incidences of chronic diseases, growing ageing population, and increased accessibility to healthcare services due to growth in income and/or uptake of medical insurance), as well as increases in public and private healthcare expenditure. Any decrease or reduction in public and private healthcare expenditure may have an impact on the spending on hospital supplies and equipment. In private hospitals, the purchase of our products could be reduced due to lowering or tightening of hospital budgets. In addition, any cutbacks on public healthcare expenditure could negatively impact the sales of our products.

Any of the above factors could decrease demand for our products, leading to reduced sales volume and impacting our Group's revenue and profitability.

Nevertheless, the healthcare services industry is resilient, as demonstrated by its uninterrupted growth. Globally, total healthcare expenditure on healthcare services grew from USD4.3 trillion (RM16.3 trillion) in 2004 to USD7.5 trillion (RM23.6 trillion) in 2013, registering a CAGR of 6.4% during the period. In Malaysia, during the same period, total healthcare expenditure increased from RM17.8 billion in 2004 to RM41.0 billion in 2013, at a CAGR of 9.7%. More notably, in both the global and local healthcare services industries, growth in healthcare expenditure has been uninterrupted during this period.
(Source: IMR Report)

4. RISK FACTORS (Cont'd)

4.1.14 We face competition from other industry players

We compete with other manufacturers of medical/healthcare beds, peripherals and accessories as well as agents, trading companies and distributors who carry either third party branded products or third party manufactured products, including imports. As such, we compete with both locally manufactured and imported products.

Hospitals and medical centres place utmost importance on patient safety, and as a result, they are careful and diligent when selecting manufacturers and/or suppliers. Products need to be of high quality, reliable and equipped with relevant safety features, besides providing comfort with user-friendly features, and manufacturers and/or suppliers must place emphasis on strong after-sales service.

Hence, to remain competitive, our Group must continuously ensure that our products maintain all of the above attributes, as failure to do so may negatively impact our Group's track record and industry reputation, leading to a loss of business to our competitors and damage to our overall business performance.

Our Group strives to manufacture products that are of high quality by ensuring that our manufacturing processes undergo stringent quality control procedures. Our Group also ensures that our products are reliable by using high quality raw materials from our trusted suppliers. Furthermore, we undertake R&D activities to ensure that we stay up-to-date with the latest market trends and demands, in order to provide products with the relevant safety and user-friendly features and to ensure that we are prepared to carry out product customisations as and when required by our customers. Our Group also has a dedicated after-sales team to provide after-sales support.

4.1.15 We may be adversely affected by product defects, and this may lead to liability claims and may result in negative perception towards our products and/or our Group

Our products have warranty periods between one (1) to four (4) years from the date of purchase and/or date of successful testing and commissioning and during this warranty period, we are liable to repair and/or exchange our products should our customers experience any product defects. We are thus obligated to ensure that the final product, which comprises components and parts which we manufacture such as steel frames and fittings, as well as fittings and accessories sourced from suppliers and outsourced manufacturers, are functioning as per design plans and customer requirements, before it is delivered.

Failure to do so could result in losses from repair costs and/or product warranty claims, and may damage our industry reputation as a reliable and trusted manufacturer of medical/healthcare beds, peripherals and accessories. An adverse reputation or negative perception regarding the safety or quality of products that we manufacture, or our Group in general, could also result in substantially lower demand for our products. Further, any significant product defects which may impact the safety of patients or healthcare professionals could result in product liability claims and loss of customer confidence in our products, and this would materially impact future demand, which in turn could have an adverse effect on our financial position, results of operations and prospects.

Nevertheless, we are committed towards stringent quality control procedures for our manufacturing processes given our compliance to ISO 9001:2008 and EN ISO 13485:2012 since 2001 and 2005 respectively, as well as our CE registration since 2009. We also inspect, test and calibrate fittings and accessories, particularly electrical components and hydraulic parts, before they are assembled into the final product to ensure these parts are in proper working condition. Instances of product defects were less than 5% of the total number of medical/healthcare beds sold in each of the last three (3) FYE 30 April 2013 to 2015. For the six (6)-month FPE 31 October 2015, the instances of product defects were less than 10% of the total number of

4. RISK FACTORS (Cont'd)

medical/healthcare beds sold during the period. This was mainly due to a one-off incident where our customer had provided feedback on a medical bed with a particular defect. As a preventive measure, our Company had also rectified all the medical beds in the same batch that was delivered to the customer.

For the past three (3) FYE 30 April 2013 to 2015 and six (6)-month FPE 31 October 2015, product warranty claims made against our Company amounted to RM0.010 million, RM0.015 million, RM0.014 million and RM0.008 million respectively, which is accounted for in our selling and distribution expenses.

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4. RISK FACTORS (Cont'd)

4.2 RISKS RELATING TO INVESTING IN OUR SHARES**4.2.1 There has been no prior market for our Shares**

Prior to the IPO, there has been no public market for our Shares. Hence, there is no assurance that upon listing, an active market for our Shares will develop, or, if developed, that such market can be sustained. The Issue Price was determined after taking into consideration various factors and we believe that a variety of factors could cause our Share price to fluctuate and such fluctuations may adversely affect the market price of our Shares.

There can be no assurance that the Issue Price will correspond to the price at which our Shares will trade on the ACE Market of Bursa Securities upon our Listing and the market price of our Shares will not decline below the Issue Price.

4.2.2 Our Share price and trading volume may be volatile

The performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiment is also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our listed Shares. Nevertheless, the profitability of our Group is not dependent on the performance of Bursa Securities as the business activities of our Group have no direct correlation with the performance of securities listed on Bursa Securities.

In addition, the market price of our Shares may be highly volatile and could fluctuate significantly and rapidly in response to, amongst others, the following factors, some of which are beyond our control:-

- (i) Variations in our results and operations;
- (ii) Success or failure in our management team in implementing business and growth strategies;
- (iii) Changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (iv) Changes in conditions affecting the industry, the prevailing global and local economic conditions or stock market sentiments or other events or factors;
- (v) Additions or departures of key personnel;
- (vi) Fluctuations in stock market prices and volumes; or
- (vii) Involvement in litigation.

4.2.3 Our Promoters will continue to hold a majority of our Shares after the IPO

As disclosed in Section 7.1.1 of this Prospectus, our Promoters will collectively hold in aggregate approximately 67.21% of our enlarged issued and paid-up share capital upon Listing. As a result, they will be able to, in the foreseeable future, effectively control the business direction and management of our Group as well as having voting control over our Group and as such, will likely influence the outcome of certain matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and/or by the relevant guidelines or regulations.