

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF TELADAN SETIA GROUP BERHAD ("TSG" OR THE "COMPANY") DATED 23 FEBRUARY 2021 ("ELECTRONIC PROSPECTUS")

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad's ("**Bursa Securities**") website at www.bursamalaysia.com ("**Website**").

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, M&A Securities Sdn Bhd ("**M&A Securities**"), or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Form is not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the IPO Shares are subject to Malaysian law. Bursa Securities, M&A Securities, the Promoters and TSG named in the Electronic Prospectus take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the IPO Shares outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any IPO Shares, to any person outside Malaysia or in any jurisdiction 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.

Close of Application

Applications will be accepted from **10.00 a.m. on 23 February 2021** and will close at **5.00 p.m. on 2 March 2021**. In the event the Closing Date is extended, TSG will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original Closing Date.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users' access to the website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.



TELADAN SETIA GROUP BERHAD



PROSPECTUS



TELADAN SETIA GROUP BERHAD
(Registration No. 201901004975 (1314302-V))
(Incorporated in Malaysia)

PROSPECTUS

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:

(I) PUBLIC ISSUE OF 161,060,000 NEW ORDINARY SHARES IN OUR COMPANY ("SHARES") IN THE FOLLOWING MANNER:

- 40,265,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 10,469,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;
- 80,530,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY; AND
- 29,796,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS

AND

(II) OFFER FOR SALE OF 40,800,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS

AT AN ISSUE/OFFER PRICE OF RM0.48 PER SHARE, PAYABLE IN FULL UPON APPLICATION

This Prospectus has been registered by the SC. The registration of this Prospectus, should not be taken to indicate that the SC recommends the offering or assumes responsibility for the correctness of any statement made, opinion expressed or report contained 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. No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

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

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 144.

THE ACE MARKET OF BURSA SECURITIES IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SC UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

Adviser, Sponsor, Underwriter and Placement Agent



M & A SECURITIES SDN BHD
(Registration No. 197301001503 (15017-H))
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

THIS PROSPECTUS IS DATED
23 FEBRUARY 2021

HEAD OFFICE ADDRESS

No. 8 & 10, Tingkat Bawah,
Jalan Mutiara Melaka 2, Taman Mutiara Melaka,
Batu Berendam 75350, Melaka.

TEL: 06-317 3236 (5 lines)

www.teladansetia.com

Our Directors, Promoters and Selling Shareholders (as defined herein) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

M&A Securities Sdn Bhd, being our Adviser, Sponsor, Underwriter and Placement Agent to our IPO (as defined herein), 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 our IPO.

This Prospectus, together with the Application Form (as defined herein), has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

You should note that you may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 ("CMSA") for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to our Group (as defined herein).

Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning the offering, for which any person set out in Section 236 of the CMSA, is responsible.

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on 10 July 2020. Our admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares. 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 whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. The valuation utilised for the purpose of the Listing should not be construed as an endorsement by Bursa Securities, on the value of the subject assets.

The Securities Commission Malaysia ("SC") has on 29 July 2020 approved the resultant equity structure of our Company under the equity requirements for public listed companies pursuant to our Listing (as defined herein).

Our securities are classified as Shariah compliant by the Shariah Advisory Council of the SC based on the audited combined financial statements for the financial year ended 31 December 2019. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review is undertaken by the Shariah Advisory Council of the SC. The new status will be released in the updated list of Shariah compliant securities, on the last Friday of May and November.

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 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 our 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.

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO Shares would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected. We will further assume that you had accepted our IPO in Malaysia and will be subjected only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither us nor our Adviser nor any other advisers in relation to our 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 country or jurisdiction.

ELECTRONIC PROSPECTUS

This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

You are advised that the internet is not a fully secured medium, and that your Internet Share Application (as defined herein) may be subject to the risks of problems occurring during the 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 of the validity or integrity of an Electronic Prospectus, you should immediately request from us, the Adviser or Issuing House (as defined herein), a paper printed copy of this Prospectus.

In the event of any discrepancy arising between the contents of the electronic 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 are 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 (referred to as "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 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 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 Adviser are also not responsible for any loss or damage or costs 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 of any data, information, files or other material provided by such parties; and
- (iii) Any data, information, files or other material downloaded from Third Party Internet Sites is done at your own discretion and risk. We and our 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 only 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 and 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 costs, 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 occurring 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

All terms used are defined under "Definitions" commencing from page vii.

The indicative timing of events leading to our Listing is set out below:

Events	Indicative date
Issuance of this Prospectus/Opening of Application	23 February 2021
Closing Date/Closing of Application	2 March 2021
Balloting of Application	5 March 2021
Allotment/Transfer of IPO Shares to successful applicants	12 March 2021
Date of Listing	16 March 2021

In the event there is any change to the timetable, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used in this section are defined under "Definitions" commencing from page vii.

All references to "TSG" and "Company" in this Prospectus are to Teladan Setia Group Berhad (201901004975 (1314302-V)). Unless otherwise stated, references to "Group" are to our Company and our subsidiaries taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

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 thousand or million or one decimal place (for percentages) or one sen (for currency). Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the "Definitions" and "Technical Glossary" appearing after this section. Words denoting singular shall include plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All references to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being 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 the internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, such information can be assumed to originate from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the Independent Market Researcher. 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.

The information on our website, or any website directly or indirectly linked to such websites do not form part of this Prospectus.

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FORWARD-LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page vii.

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

- (i) Demand for our products;
- (ii) Our business strategies;
- (iii) Our future plans;
- (iv) Our future earnings, cash flows and liquidity; and
- (v) Our ability to pay future dividends.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) The economic, political and investment environment in Malaysia; and
- (ii) Government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 9 – "Risk Factors" and Section 12 – "Financial Information". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of our Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMA.

DEFINITIONS

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

COMPANIES WITHIN OUR GROUP:

"Asal Harta"	:	Asal Harta Sdn Bhd (199301026940 (281678-D))
"Midas"	:	Midas Dimensi Sdn Bhd (201101004289 (932430-T))
"Oriview"	:	Oriview Realty Sdn Bhd (199701014645 (430141-A))
"Riverwell"	:	Riverwell Resources Sdn Bhd (200001009453 (512059-D))
"Teladan Setia"	:	Teladan Setia Sdn Bhd (199301006710 (261447-A))
"Teladan Setia Group"	:	Teladan Setia and its subsidiaries, collectively
"TSG" or "Company"	:	Teladan Setia Group Berhad (201901004975 (1314302-V))
"TSG Group" or "Group"	:	TSG and its subsidiaries, collectively

GENERAL:

"ACE Market"	:	ACE Market of Bursa Securities
"Acquisition"	:	Acquisition by TSG of the entire equity interest of Teladan Setia for a purchase consideration of RM322,119,000 which was wholly satisfied by the issuance of 644,238,000 new Shares at an issue price of RM0.50 per share, which were completed on 5 January 2021
"Act"	:	Companies Act, 2016
"ADA"	:	Authorised Depository Agent
"Adviser" or "Sponsor" or "Placement Agent" or "Underwriter"	:	M&A Securities
"Application"	:	Application for IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
"Application Form"	:	Printed application form for the application of our IPO Shares accompanying this Prospectus
"ATM"	:	Automated teller machine
"BNM"	:	Bank Negara Malaysia
"Board"	:	Board of Directors of TSG
"Bursa Depository" or "Depository"	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))

DEFINITIONS (Cont'd)

"Bursa Securities"	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
"CAGR"	: Compound annual growth rate
"CDS"	: Central Depository System
"CDS Account"	: Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
"Closing Date"	: Date adopted in this Prospectus as the last date for acceptance and receipt of the Application
"CMSA"	: Capital Markets and Services Act 2007
"Constitution"	: Our Company's constitution as registered under the Act and as amended from time to time
"Covid-19"	: Coronavirus disease 2019 (Covid-19), an infectious disease which affects the respiratory system, and is a global pandemic
"DDWG"	: Due diligence working group established for the purpose of our Listing
"Depository Rules"	: Rules of Bursa Depository and any appendices thereto as they may be amended from time to time
"Director(s)"	: An executive director or a non-executive director of our Company within the meaning of Section 2 of the Act
"EBIT"	: Earnings before interest and tax
"EBITDA"	: Earnings before interest, tax, depreciation and amortisation
"Electronic Prospectus"	: Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium
"Electronic Share Application"	: Application for IPO Shares through a Participating Financial Institution's ATM
"EPS"	: Earnings per share
"FPE"	: Financial period(s) ended/ending 30 September, as the case may be
"FYE"	: Financial year(s) ended/ending 31 December, as the case may be
"GDV"	: Gross development value
"GDC"	: Gross development cost
"GP"	: Gross profit

DEFINITIONS (*Cont'd*)

“Government”	(1) the federal government of Malaysia or the states’ government, (2) any instrumentality of any such government, (3) any other person or organisation authorised by law to perform any executive, legislative, judicial, regulatory, administrative, military, or police functions of any such government, and (4) any intergovernmental organisation
“IFRS”	: International Financial Reporting Standards
“IMR”	: Smith Zander International Sdn Bhd (201301028298 (1058128-V)), our Independent Market Researcher
“IMR Report”	: Independent Market Research Report titled <i>Residential Property and Shop Market in Melaka</i> dated 22 January 2021
“Indra”	: Indra Kemajuan Sdn Bhd (198201007791 (87549-K))
“Independent Valuer”	: CH Williams Talhar & Wong Sdn Bhd (197401001098 (18149-U)), the Independent Valuer appointed for our Listing
“Internet Participating Financial Institution(s)”	: Participating financial institution(s) for Internet Share Application as listed in Section 17.6
“Internet Share Application”	: Application for IPO Shares through an online share application service provided by Internet Participating Financial Institution
“Initial Public Offering” or “IPO”	: Our initial public offering comprising the Public Issue and Offer for Sale
“IPO Price”	: Issue/offer price of RM0.48 per Share under our Public Issue and Offer for Sale
“IPO Share(s)”	: Issue Share(s) and Offer Share(s), collectively
“Issuing House”	: Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H))
“Issue Share(s)”	: New Share(s) to be issued under the Public Issue
“ISO”	: International Organisation for Standardisation
“IT”	: Information technology
“Listing”	: Listing of and quotation for our entire enlarged share capital of RM399,427,802 comprising 805,298,002 Shares on the ACE Market
“Listing Requirements”	: ACE Market Listing Requirements of Bursa Securities, as amended from time to time
“Listing Scheme”	: Comprising the Public Issue, Offer for Sale and Listing, collectively
“LPD”	: 23 January 2021, being the latest practicable date for ascertaining certain information contained in this Prospectus
“M&A Securities”	: M & A Securities Sdn Bhd (197301001503 (15017-H))

DEFINITIONS (Cont'd)

"Malaysian Public"	:	Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
"Management"	:	Directors and key senior management as at the date of this Prospectus
"Market Day"	:	Any day between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"MCO"	:	The 2020 Malaysia movement control order, commonly referred to as the MCO, implemented as a preventive measure by the Government in response to the Covid-19 pandemic in the country, which began from 18 March 2020 and unless otherwise specified, shall encompass all its subsequent phases
"MFRS"	:	Malaysian Financial Reporting Standards
"MHLG"	:	Ministry of Housing and Local Government
"Midwest"	:	Midwest Pavilion Sdn Bhd (201701002044 (1216194-A))
"MITI"	:	Ministry of International Trade and Industry Malaysia
"mm"	:	Millimetre
"MNC(s)"	:	Multinational company(ies)
"NA"	:	Net assets
"NBV"	:	Net book value
"Offer for Sale"	:	Offer for sale of 40,800,000 Offer Shares by our Selling Shareholders at our IPO Price
"Offer Share(s)"	:	Existing Share(s) to be offered under our Offer for Sale
"Participating Financial Institution(s)"	:	Participating financial institution(s) for Electronic Share Application as listed in Section 17.5
"PBT"	:	Profit before tax
"PE Multiple"	:	Price-to-earnings multiple
"Pink Form Allocations"	:	Allocation of 10,469,000 Issue Shares to our eligible Directors, employees and persons who have contributed to the success of our Group, which forms part of our Public Issue
"Polyintan"	:	Polyintan Sdn Bhd (199701016828 (432325-D))
"Polywell Development"	:	Polywell Development Sdn Bhd (199401030684 (316365-A))
"Polywell Enterprise"	:	Polywell Enterprise Sdn Bhd (197901001159 (45432-K))

DEFINITIONS (Cont'd)

"Promoters"	: Teo Lay Ban, Teo Lay Lee, Teo Siew May and Wan Lei Chin, collectively
"Prospectus"	: This prospectus dated 23 February 2021 in relation to our IPO
"Public Issue"	: Public issue of 161,060,000 Issue Shares at our IPO Price
"QC"	: Quality control
"QMS"	: Quality management system
"ROC"	: Registrar of Companies
"SC"	: Securities Commission Malaysia
"Selling Shareholders"	: Teo Lay Lee, Teo Siew May and Wan Lei Chin who are undertaking the Offer for Sale
"Share(s)"	: Ordinary share(s) in TSG
"SICDA" or "Depository Act"	: Securities Industry (Central Depositories) Act, 1991
"sq ft"	: Square foot
"sq m"	: Square metre
"Underwriting Agreement"	: Underwriting agreement dated 23 December 2020 entered into between TSG and M&A Securities for the purpose of our IPO
"UK"	: United Kingdom
"USA"	: United States of America
"Vendors"	: Teo Lay Ban, Teo Lay Lee, Teo Siew May and Wan Lei Chin collectively
"Widenote"	: Widenote Sdn Bhd (201701006391 (1220556-H))

CURRENCY:

"RM" or "sen"	: Ringgit Malaysia and sen respectively
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TECHNICAL GLOSSARY

This glossary contains an explanation of certain terms used throughout this Prospectus in connection with our Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms:

"APDL"	:	Housing Developer Licence and Advertising and Sale Permit
"CCC"	:	Certificate of Completion and Compliance, a document issued by the development project's principal submitting person who is either a professional architect or professional engineer to certify that the development project is completed in accordance with the approved building plans and is safe and fit for occupation
"CIDB"	:	Construction Industry Development Board of Malaysia
"Detached house"	:	A standalone house, also commonly referred to as bungalow
"DLP"	:	Defect liability period, a period of time after a development project has been completed where the developer is obliged to return to the site to remedy defects, if any
"LAD"	:	Liquidated and ascertained damages, damages due to a customer calculated at a rate as stated in the contract agreement when a developer fails to deliver the completed work within a period stipulated in the said contract agreement
"landbank"	:	Lands owned for future sale or development
"M&E"	:	Mechanical and electrical
"QLASSIC"	:	Quality Assessment System in Construction, a system or method to measure and evaluate the workmanship quality of a building construction work based on Construction Industry Standard (CIS7:2006). QLASSIC enables the quality of workmanship between construction projects to be objectively compared through a scoring system
"Special trade works"	:	Activities of metal works, electrical works, plumbing, sewerage and sanity works, refrigeration and air-conditioning works, painting works, tiling and flooring works as well as glass works

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Designation	Residential address	Nationality/ Profession	Gender
Roy Thean Chong Yew	Independent Non-Executive Chairman	C-31-02, Tropicana Grande Condominium No. 3, Persiaran Tropicana PJU 3, Petaling Jaya 47410 Selangor	Malaysian/ Director	Male
Teo Lay Ban	Managing Director	No. 18, Jalan Saujana 4/3 Taman Saujana Heights 75450 Bukit Katil Melaka	Malaysian/ Director	Male
Sia Ah Piew	Executive Director	M1-869, The Tropicana Residences Jalan Sentosa 10, Taman Sentosa 75150 Melaka	Malaysian/ Head of Projects	Male
Teo Lay Lee	Non-Independent Non-Executive Director	32 Tanah Merah Kechil Road #12-14 Singapore 465559	Malaysian/ Director	Male
Teo Siew May	Non-Independent Non-Executive Director	34 Tanah Merah Kechil Road #05-32 East Meadows Tower 2A Singapore 465560	Malaysian/ Accountant	Female
Annandan Chandran	A/L Independent Non-Executive Director	No. 1, Lorong 1 Jalan SI 26 Taman Saujana Indah 75450 Bukit Katil Melaka	Malaysian/ Director	Male
Madeline Lee May Ming	Independent Non-Executive Director	A2-11-3 Verdana 5, Jalan Dutamas Melati 51200 Kuala Lumpur Wilayah Persekutuan	Malaysian/ Advocate and Solicitor	Female
Foo Yit Lan	Independent Non-Executive Director	No. 12, Jalan Jingga 3 Taman Pelangi 80400 Johor Bahru Johor	Malaysian/ Accountant	Female

AUDIT COMMITTEE

Name	Designation	Directorship
Foo Yit Lan	Chairwoman	Independent Non-Executive Director
Annandan A/L Chandran	Member	Independent Non-Executive Director
Madeline Lee May Ming	Member	Independent Non-Executive Director
Roy Thean Chong Yew	Member	Independent Non-Executive Chairman

1. CORPORATE DIRECTORY (Cont'd)

REMUNERATION COMMITTEE

Name	Designation	Directorship
Annandan A/L Chandran	Chairman	Independent Non-Executive Director
Foo Yit Lan	Member	Independent Non-Executive Director
Madeline Lee May Ming	Member	Independent Non-Executive Director
Roy Thean Chong Yew	Member	Independent Non-Executive Chairman

NOMINATING COMMITTEE

Name	Designation	Directorship
Madeline Lee May Ming	Chairwoman	Independent Non-Executive Director
Annandan A/L Chandran	Member	Independent Non-Executive Director
Foo Yit Lan	Member	Independent Non-Executive Director
Roy Thean Chong Yew	Member	Independent Non-Executive Chairman

RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Foo Yit Lan	Chairwoman	Independent Non-Executive Director
Annandan A/L Chandran	Member	Independent Non-Executive Director
Madeline Lee May Ming	Member	Independent Non-Executive Director
Roy Thean Chong Yew	Member	Independent Non-Executive Chairman
Teo Lay Ban	Member	Managing Director

COMPANY SECRETARIES

: Chua Siew Chuan (MAICSA 0777689)
SSM PC No: 201908002648
(Chartered Secretary)

Cheng Chia Ping (MAICSA 1032514)
SSM PC No: 202008000730(Chartered Secretary)

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Telephone: 03-2084 9000

REGISTERED OFFICE

: Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Telephone: 03-2084 9000

1. CORPORATE DIRECTORY (Cont'd)

- HEAD OFFICE** : No. 8 & 10, Ground Floor
Jalan Mutiara Melaka 2
Taman Mutiara Melaka
75350 Batu Berendam
Melaka

Telephone: 06-317 3236
- EMAIL ADDRESS AND WEBSITE** : Website: www.teladansetia.com
Email address: info@teladansetia.com
- AUDITORS AND REPORTING ACCOUNTANTS FOR OUR LISTING** : RSM Malaysia (AF 0768)
Suite 16-02, Level 16
Menara Landmark
12, Jalan Ngee Heng
80000 Johor Bahru
Johor

Partner's name: Se Kuo Shen
Approved number: 02949/03/2020 (J)
Malaysian Institute of Accountants' membership number:
19804
(Chartered Accountant and Member of Malaysian Institute of Accountants)

Telephone: 07-276 2828
- SOLICITORS FOR OUR LISTING** : Lee & Tengku Azrina
Unit 13-01, Level 13
Menara Landmark
12, Jalan Ngee Heng
80000 Johor Bahru
Johor

Telephone: 07-223 8828
- SHARE REGISTRAR** : Securities Services (Holdings) Sdn Bhd (197701005827
(36869-T))
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Telephone: 03-2084 9000
- ISSUING HOUSE** : Tricor Investor & Issuing House Services Sdn Bhd
(197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone: 03-2783 9299

1. CORPORATE DIRECTORY (Cont'd)

- ADVISER, SPONSOR,
UNDERWRITER AND
PLACEMENT AGENT** : M & A Securities Sdn Bhd (197301001503 (15017-H))
Level 11, No. 45 & 47
The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Telephone: 03-2284 2911
- INDEPENDENT MARKET
RESEARCHER** : Smith Zander International Sdn Bhd (201301028298
(1058128-V))
15-01, Level 15
Menara MBMR
1, Jalan Syed Putra
58000 Kuala Lumpur

Managing Director's name: Dennis Tan Tze Wen
*(Bachelor of Science (major in Computer Science and minor
in Business Administration) from Memorial University of
Newfoundland, Canada)*

Telephone: 03-2732 7537
- INDEPENDENT VALUER** : CH Williams Talhar & Wong Sdn Bhd (197401001098
(18149-U))
30-01, 30th Floor
Menara Multi Purpose
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur

Telephone: 03-2616 8888

Valuer-in-charge: Heng Kiang Hai
Registration number: V0486
*(Registered Valuer, Board of Valuers, Appraisers, Estate
Agents and Property Managers)*

178, Jalan Merdeka
Taman Melaka Raya
75000 Melaka

Telephone: 06-281 2288

Valuer-in-charge: Teh Hong Chua
Registration number: V0788
*(Registered Valuer, Board of Valuers, Appraisers, Estate
Agents and Property Managers)*
- LISTING SOUGHT** : ACE Market
- SHARIAH STATUS** : Approved by Shariah Advisory Council of SC

2. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

2.1 PRINCIPAL DETAILS OF IPO

The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text.

No. of Shares to be issued under the Public Issue:	161,060,000
- For application by the Malaysian Public	40,265,000
- For Pink Form Allocations	10,469,000
- For private placement to MITI-approved Bumiputera investors	80,530,000
- For private placement to selected investors	29,796,000
No. of Shares to be offered under the Offer for Sale entirely for private placement to selected investors	40,800,000
Enlarged no. of Shares upon Listing	805,298,002
IPO Price per Share	RM0.48
Market capitalisation (calculated based on our IPO Price and enlarged no. of Shares upon Listing)	RM386,543,041

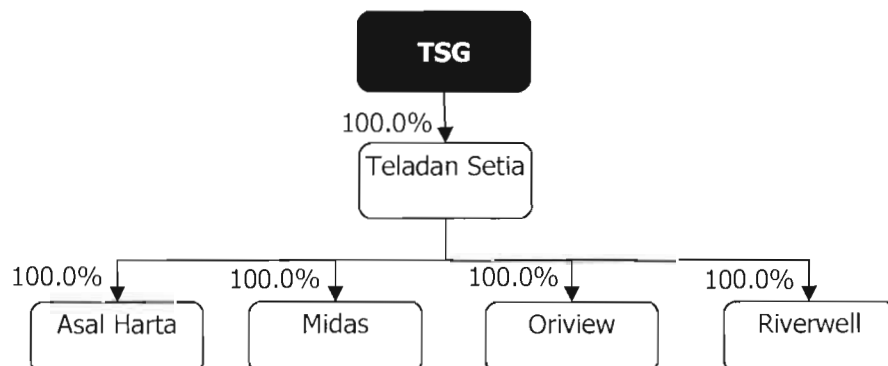
A moratorium will be imposed on the sale, transfer or assignment of the 603,438,002 Shares (representing 74.9% equity interest after our IPO) held by our Promoters for a period of 6 months from the date of our admission to the ACE Market. Further details of the moratorium are set out in Section 3.2.

Further details of our IPO are set out in Section 4.

2.2 GROUP STRUCTURE AND BUSINESS MODEL

Our Company was incorporated in Malaysia under the Act on 14 February 2019 as a public limited company under our present name.

Our Company was incorporated to facilitate our Listing and our principal activity is that of an investment holding company. Our Group structure as at LPD is as follows:



2. PROSPECTUS SUMMARY (Cont'd)

We are principally involved in the property development business where we develop and sell residential properties and shops. During FYE 2017 to 2019 and up to FPE 2020, our property development projects were all located in Melaka.

Further details of our Group and our business model are set out in Sections 6 and 7 respectively.

2.3 IMPACT OF COVID-19 AND THE MCO

Construction activities of our on-going projects were halted between 18 March 2020 to 14 May 2020 due to the MCO. Under the conditional MCO announced on 1 May 2020, we have resumed our sales and marketing activities on 4 May 2020 and subsequently our entire operations on 14 May 2020. As such, there were unexpected delays in the completion of our on-going projects or commencement of future projects. Buyers may claim LAD on delays in completion of the project, unless an extension of time is granted by MHLG.

In addition, the prolonged disruptions to our operations during the MCO may lead to spillover effects on our Group's operations and financial performance over the next few months. Such effects include:

- (i) Delays in issuing of progress billings as our progress billing is dependent on the progress of the construction of our projects;
- (ii) Delays in launching future projects in view of the uncertainties in economic conditions and property market sentiment in Malaysia and Melaka after the MCO and until the Covid-19 crisis ends;
- (iii) Slower generation and completion of sales due to limitations in the execution of our sales and marketing activities; and
- (iv) Potential cash constraints due to fixed expenses, inactivity and capital commitment for purchase of landbank.

In a worst case scenario analysis, based on our cash and cash equivalent of approximately RM52.4 million as at LPD, our Board believes that our Group's balance cash and cash equivalents will be able to support our monthly cash demand for approximately 14.7 months without the need to liquidate any of our fixed assets such as landbank or buildings.

At this juncture, we cannot reasonably quantify the financial impact of the delays caused by the Covid-19 and the MCO situation. Nonetheless, we expect to have a negative impact to our revenue and consequently our profits for FYE 2020 and beyond due to the delayed recognition of revenue from the progress of our projects.

Further details of the impact of the Covid-19 and the MCO on our business operations are set out in Section 7.2.5.

2.4 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risk factors as set out in Section 9. Some of the more important risk factors are summarised below:

2. PROSPECTUS SUMMARY (Cont'd)

- (i) We are subject to prevailing market conditions in the property market in Malaysia and specifically, in Melaka. Any slowdown of the property market arising from changes in market conditions may adversely affect the value of our projects or cause delays, which may adversely affect our business, cash flow and sales performance;
- (ii) We are affected by the outbreak of Covid-19 and the MCO. The MCO has resulted in delays of our projects and will continue to delay so long as the MCO persists. Apart from potential LAD claims by buyers as a result of delays in completion of our projects, the persistence of such disruptions may also cause several spill over effects to our Group as highlighted in Section 2.3;
- (iii) We are exposed to unexpected interruptions or delays in completing a project caused by external factors. Any delays in the completion of our projects may result in LAD incurred which will negatively affect our financial performance;
- (iv) Our business is capital intensive and depends on our ability to secure adequate financing. If we are unable to secure adequate credit facilities at competitive rates, our cash flows, operations, growth and expansion plans will be adversely affected;
- (v) We may not be able to acquire suitable landbank to sustain our business operations and financial performance. Failure to do so would impair our ability to launch new property development projects, which will materially and adversely affect our Group's business, results of operations and prospects;
- (vi) We may achieve lower GDVs than estimated. Our material on-going projects were valued by the Independent Valuer, whose valuation is based on certain forecasts, projections and conditions at a particular point in time. Similarly, the GDV of our projects is estimated based on prevailing market conditions. These conditions may change over time, and any unfavourable change could affect our ability to realise our projected GDV;
- (vii) We are subject to the risk of unfavourable changes in Government policies. Any restrictive policy changes such as increases in interest rates will have a negative impact on consumer sentiment and purchasing power, which may dampen the overall demand for our properties;
- (viii) We are dependent on the services of our contractors for completion and quality of our property development projects. The loss of any of our contractors for any reason may result in delays in our projects and losses in seeking alternatives, which may in turn have a negative effect on our operations, results and prospects; and
- (ix) We face competition from other developers, and should competition intensify or should we fail to sustain our competitive edge, we may suffer increases in costs or reduction in our property prices which will adversely affect our financial performance and prospects.

2.5 COMPETITIVE STRENGTHS

Our Directors believe that our business sustainability and future growth is built on the following competitive strengths:

- (i) We have a sizeable pipeline of on-going and future development projects with an estimated GDV of RM623.0 million and RM995.2 million respectively as at LPD;

2. PROSPECTUS SUMMARY (Cont'd)

- (ii) We have a sizeable undeveloped landbank of 73.9 acres in Melaka and Selangor as at LPD, and are in the process of acquiring another 145.2 acres as at LPD;
- (iii) We have a proven track record of 24 years in Melaka with ability to attract property buyers; and
- (iv) Our management is led by our Managing Director, Executive Director and other key senior management, all of whom have valuable experience in the property development industry.

Further details of our competitive strengths are set out in Section 7.11.

2.6 BUSINESS STRATEGIES

Our business objectives are to maintain sustainable growth in our business and create long term shareholder value. To achieve our business objectives, we will implement the following business strategies over the period of 36 months from the date of our Listing:

- (i) Complete our on-going and commence our future projects to strengthen our presence in Melaka

We have allocated RM33.1 million from the proceeds of the Public Issue to finance our on-going projects.

- (ii) Acquisition of landbank for future property development in Melaka

We have allocated RM35.0 million from the proceeds of the Public Issue for acquisition of landbank in Melaka for our future development.

Further details of our business strategies are set out in Section 7.12.

2.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Roy Thean Chong Yew	Independent Non-Executive Chairman
Teo Lay Ban	Managing Director
Sia Ah Piew	Executive Director and Head of Projects
Teo Lay Lee	Non-Independent Non-Executive Director
Teo Siew May	Non-Independent Non-Executive Director
Annandan A/L Chandran	Independent Non-Executive Director
Madeline Lee May Ming	Independent Non-Executive Director
Foo Yit Lan	Independent Non-Executive Director
Key senior management	
Ng Mih Fern	Financial Controller
Tong Siok Meng	Head of Marketing
Goh Fong Kim	Accounts Manager

Further details of our Directors and key senior management are set out in Sections 5.2 and 5.3 respectively.

2. PROSPECTUS SUMMARY (Cont'd)

2.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The shareholdings of our Promoters and substantial shareholders in our Company before and after IPO are set out below:

Name	Nationality	⁽¹⁾ Before IPO		⁽²⁾⁽³⁾ After IPO	
		No. of Shares	%	No. of Shares	%
Teo Lay Ban	Malaysian	335,003,762	52.0	-	-
Teo Lay Lee	Malaysian	103,078,080	16.0	-	-
Teo Siew May	Malaysian	103,078,080	16.0	-	-
Wan Lei Chin	Malaysian	103,078,080	16.0	-	-
				335,003,762	41.6
				89,478,080	11.1
				89,478,080	11.1
				89,478,080	11.1

Notes:

(1) Based on the share capital of 644,238,002 Shares before IPO

(2) Based on the enlarged share capital of 805,298,002 Shares after IPO

(3) After Public Issue and Offer for Sale

Further details of our Promoters and substantial shareholders are set out in Section 5.1.

Our Promoters' entire shareholdings of 603,438,002 Shares (representing 74.9% equity interest) after IPO will be held under moratorium for 6 months from the date of Listing. Further details on the moratorium on our Shares are set out in Section 3.2.

2. PROSPECTUS SUMMARY (Cont'd)**2.9 UTILISATION OF PROCEEDS**

The gross proceeds to be raised by our Company from the Public Issue of RM77.3 million shall be utilised in the following manner:

Utilisation of proceeds	RM'000	%	⁽¹⁾Estimated timeframe for utilisation
Land acquisition	35,000	45.3	Within 36 months
Working capital for project development	33,109	42.8	Within 24 months
Repayment of bank borrowings	4,000	5.2	Within 3 months
Estimated listing expenses	5,200	6.7	Within 1 month
Total	77,309	100.0	

Note:

⁽¹⁾ From the date of listing of our Shares

There is no minimum subscription to be raised from IPO.

Detailed information on our utilisation of proceeds is set out in Section 4.9.

The gross proceeds from the Offer for Sale of approximately RM19.6 million shall accrue entirely to the Selling Shareholders.

2.10 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The selected financial and operational information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows.

2.10.1 Combined statements of profit or loss and other comprehensive income

The following table sets out the financial highlights based on our combined statements of profit or loss and other comprehensive income for FYE 2017 to 2019 and FPE 2019 to 2020:

	Audited			Unaudited	Audited
	FYE 2017	FYE 2018	FYE 2019	FPE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	359,511	259,141	232,988	176,457	100,028
GP	119,271	91,689	80,537	62,134	36,464
PBT	81,271	65,892	55,337	45,646	23,779
Profit from continuing operations	62,929	48,826	43,402	33,711	17,302
Total comprehensive income/PAT attributable to owners of our Company	62,979	48,724	43,402	33,711	17,302
Basic EPS (sen) ⁽¹⁾	9.8	7.6	6.7	5.2	2.7
Diluted EPS (sen) ⁽²⁾	7.8	6.1	5.4	4.2	2.2

Further details on the financial information are set out in Sections 12 and 13.

2. PROSPECTUS SUMMARY (Cont'd)

Notes:

- (1) Calculated based on PAT from continuing operations attributable to owners of our Company divided by our number of Shares in issue before IPO
- (2) Calculated based on PAT from continuing operations attributable to owners of our Company divided by our enlarged number of Shares in issue after IPO

There were no exceptional items during the financial years/period under review. Our audited combined financial statements for the past financial years under review were not subject to any audit qualifications.

2.10.2 Pro forma statements of financial position

The following table sets out a summary of the pro forma statements of financial position of our Group based on our audited combined financial statements as at 30 September 2020 to show the effects of the Acquisition and subsequent events, IPO and utilisation of proceeds. It is presented for illustrative purposes only and should be read together with the pro forma statements of financial position as set out in Section 14.

	Audited	I	II	III
	As at 30 September 2020	After Acquisition and subsequent events⁽¹⁾	After I and IPO	After II and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Total non-current assets	-	231,719	231,719	266,719
Total current assets	170	348,863	426,172	381,972
TOTAL ASSETS	170	580,582	657,891	648,691
EQUITY AND LIABILITIES				
Share capital	*	322,119	399,428	397,174
Merger deficit	-	(318,369)	(318,369)	(318,369)
Retained profits	(238)	357,955	357,955	355,009
TOTAL EQUITY	(238)	361,705	439,014	433,814
Total non-current liabilities	-	141,942	141,942	141,942
Total current liabilities	408	76,935	76,935	72,935
TOTAL LIABILITIES	408	218,877	218,877	214,877
TOTAL EQUITY AND LIABILITIES	170	580,582	657,891	648,691
Gearing ratio (times) ⁽²⁾	-	0.45	0.37	0.37
Net gearing ratio (times) ⁽³⁾	-	0.33	0.09	0.19

2. PROSPECTUS SUMMARY (Cont'd)

	Audited	I	II	III
	As at 30 September 2020	After Acquisition and subsequent events⁽¹⁾	After I and IPO	After II and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
No. of Shares in issue	2	644,238,002	805,298,002	805,298,002
(NL)/NA per Share (RM)	(119,203)	0.56	0.55	0.54

Notes:

* Less than RM1,000

(1) Subsequent events comprise:

- (i) On 21 May 2020, Teladan Setia entered into a sale and purchase agreement with a third party to purchase 4 plots of freehold land held under GRN 6720 Lot 34, GM 150 Lot 37, GRN 12906 Lot 39 and GM 151 Lot 40 Mukim Tanjung Minyak in Melaka for a purchase consideration of RM13,146,767 and the transaction has completed on 10 November 2020;
- (ii) On 7 October 2020, Teladan Setia entered into a sale and purchase agreement with a third party to purchase a parcel of leasehold land held under PN 55269 Lot 14734, Mukim of Ayer Panas in Melaka for a purchase consideration of RM22,038,100;
- (iii) On 11 November 2020 (supplemented on 4 January 2021), Teladan Setia entered into a conditional share sale agreement with Polywell Enterprise to acquire the entire equity interest of Polyintan for a total purchase consideration of RM1,825,954. This acquisition is conditional upon Polyintan obtaining a development order for the lands that it owns;
- (iv) On 19 November 2020, Teladan Setia entered into a sale and purchase agreement with a third party to purchase a parcel of freehold land held under GM 25 Lot 13253, Mukim of Pringgut in Melaka for a purchase consideration of RM4,455,290; and
- (v) On 11 December 2020, Oriview entered into a sale and purchase agreement with a third party to purchase 2 parcels of leasehold land held under PN 56988 Lot 14560 and PN 56989 Lot 14561, Mukim of Telok Mas in Melaka for a purchase consideration of RM15,500,000.

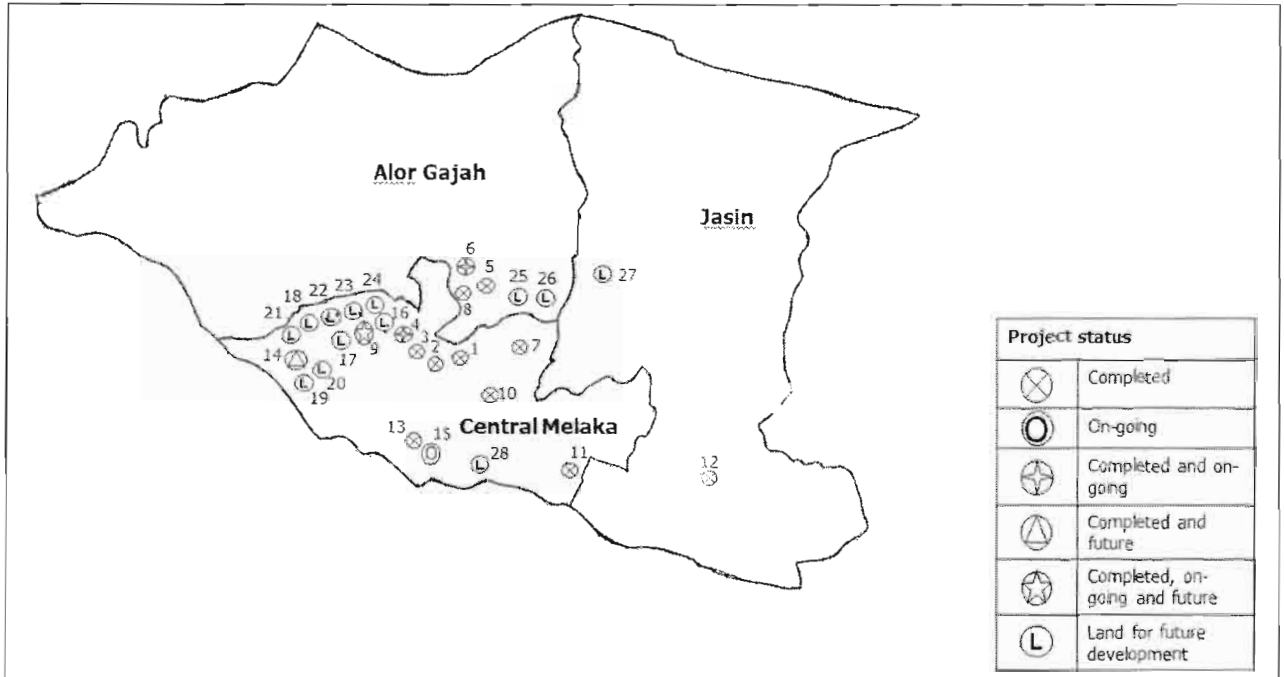
(2) Calculated based on bank borrowings and finance lease liabilities divided by total equity.

(3) Calculated based on bank borrowings and finance lease liabilities less available cash and bank balances divided by total equity.

2. PROSPECTUS SUMMARY (Cont'd)

2.10.3 Operational highlights



The following map sets out the approximate locations of our completed (GDV RM40 million and above), on-going and future development projects and landbank in Melaka:



Map legend:

<p>Completed projects of GDV more than RM40 million</p>	<ol style="list-style-type: none"> Taman Seri Selendang (GDV of RM43.5 million over 26.9 acres) Taman Bukit Cheng (GDV of RM42.6 million over 26.9 acres) Taman Cheng Setia (GDV of RM115.0 million over 51.7 acres) Taman Bertam Setia (GDV of RM234.9 million over 106.9 acres) Taman Desa Idaman (GDV of RM198.9 million over 122.1 acres) Taman Saujana Heights (GDV of RM127.8 million over 15.9 acres) Taman Seri Tuah Permai (GDV of RM41.3 million over 12.2 acres) The Tropicana, Taman Sentosa (GDV of RM26.7 million over 4.7 acres) The Tropicana Residences (GDV of RM49.8 million over 1.9 acres) Taman Bukit Larang (GDV of RM58.3 million over 29.3 acres) Bandar Baru Merlimau (GDV of RM68.1 million over 25.0 acres) Atlantis Residences (GDV of RM603.9 million over 5.4 acres) 	<p>Land for future development</p>	<p>With planning permission</p> <ol style="list-style-type: none"> GRN 6772 Lot 53, Mukim Tanjong Minyak, Melaka (166.3 acres) <p>Without planning permission</p> <ol style="list-style-type: none"> GM 107 Lot 66, Mukim Tanjong Minyak, Melaka (3.2 acres) GM2565 Lot 24668, Mukim Tanjong Minyak, Melaka (4.8 acres) GRN 14999 Lot 2308, Mukim Sungei Udang, Melaka (9.9 acres) GRN 22813 Lot 1137, Mukim Tanjong Minyak, Melaka (14.0 acres) Geran 6720 Lot 34, Mukim Tanjong Minyak, Melaka (11.5 acres) GM 150 Lot 37, Mukim Tanjong Minyak, Melaka (5.5 acres) Geran 12906 Lot 39, Mukim Tanjong Minyak, Melaka (14.9 acres) GM 151 Lot 40, Mukim Tanjong Minyak, Melaka (5.9 acres) <p>In the process of acquisition</p> <ol style="list-style-type: none"> PM 1100 Lot 10243, Mukim Durian Tunggal, Melaka (0.2 acres) Geran 3540 and 3541, Lot 2544 and 2545, Mukim Durian Tunggal, Melaka (10.2 acres) PN 55269 Lot 14734, Mukim Ayer Panas, Melaka (116.0 acres) PN 56988 Lot 14560 and PN 56989 Lot 14561, Mukim Telok Mas, Melaka (18.8 acres)
<p>On-going projects with completed phases</p>	<ol style="list-style-type: none"> Taman Belimbing Setia Completed: GDV of RM140.9 million over 101.3 acres On-going: GDV of RM25.9 million over 9.2 acres 	<p>Completed projects with future phases</p>	<ol style="list-style-type: none"> Taman Bertam Putra Completed: GDV of RM91.0 million over 45.1 acres Future: Estimated GDV of RM16.6 million over 1.3 acres

2. PROSPECTUS SUMMARY (*Cont'd*)

 <p>Projects with completed, on-going and future phases</p>	<p>9. Taman Desa Bertam Completed: GDV of RM247.9 million over 98.8 acres On-going: GDV of RM277.5 million over 69.6 acres Future: Estimated GDV of RM243.1 million over 71.6 acres</p>	 <p>On-going projects</p>	<p>15. Bali Residences (GDV of RM319.6 million over 3.7 acres)</p>
--	--	--	--

As at LPD, we have:

- (i) Completed development projects with GDV of RM2.1 billion;
- (ii) On-going and future development projects with estimated GDV of RM623.0 million (of which RM256.4 million is unbilled and RM209.1 million is unsold) and RM995.2 million respectively; and
- (iii) 73.9 acres of undeveloped landbank, and are in the process of acquiring another 145.2 acres.

For further details of our projects and landbank, please refer to Section 7.2.2.

2.11 DIVIDEND POLICY

Our Board intends to recommend and distribute a dividend of at least 20% of our annual audited consolidated PAT attributable to our shareholders. Any dividend declared will be at the discretion of our Board and any final dividends declared will be subject to the approval of our shareholders at our annual general meeting.

You should take note that this dividend policy merely describes our current intention and shall not constitute legally binding statements in respect of our future dividends that are subject to our Board's discretion.

Further details of our dividend policy are set out in Section 12.16.

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3. APPROVALS AND CONDITIONS

3.1 APPROVALS AND CONDITIONS

3.1.1 Bursa Securities approval

Bursa Securities had, vide its letter dated 10 July 2020, approved our admission to the Official List of the ACE Market and the Listing. The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	Submit the following information in respect to the moratorium on the shareholdings of the Promoters to Bursa Depository: (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares;	Complied
2.	Approvals from other relevant authorities have been obtained for implementation of the Listing;	Complied
3.	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied
4.	Furnish Bursa Securities with a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of TSG on the first day of Listing;	To be complied
5.	Ensure any director of the Company who has not attended the Mandatory Accreditation Programme must do so prior to Listing;	Complied
6.	In relation to the Public Issue to be undertaken by TSG, to announce at least 2 Market Days prior to the Listing date, the result of the offering including the following: (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/allocation; (iii) A table showing the distribution for placement tranche as per the format prescribed; and (iv) Disclosure of placees who become substantial shareholders of TSG arising from the Public Issue, if any.	To be complied
7.	TSG/M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon its admission to the Official List of the ACE Market.	To be complied

On 7 December 2020, Bursa Securities has granted us an extension of time up to 9 April 2021 to complete our Listing.

3. APPROVALS AND CONDITIONS *(Cont'd)*

3.1.2 SC approval

Our Listing is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of the SC.

The SC had, vide its letter dated 29 July 2020, approved the resultant equity structure of TSG under the equity requirement for public listed companies pursuant to our Listing. The approval from the SC is subject to TSG allocating Shares equivalent to at least 12.5% of its enlarged issued share capital at the point of listing to Bumiputera investors. This includes the Shares offered under the balloted public offer portion, of which 50% are to be offered to Bumiputera public investors. This condition is to be complied with during the implementation of our Listing.

The effect of our Listing on our equity structure as approved by the SC is as follows:

Category of shareholders	As at 30 November 2019		After Listing	
	No. of Shares	%	No. of Shares	%
Bumiputera	-	-	⁽¹⁾ 100,662,500	12.5
Non-Bumiputera	2	100.0	704,635,502	87.5
Malaysian	2	100.0	805,298,002	100.0
Foreigners	-	-	-	-
Total	2	100.0	805,298,002	100.0

Note:

⁽¹⁾ Based on the assumption that the Shares allocated to Bumiputera investors shall be fully subscribed as follows:

Category	No. of Shares	%
Bumiputera public investors via balloting	20,132,500	2.5
Private placement to identified Bumiputera investors approved by MITI	80,530,000	10.0
Total	100,662,500	12.5

The Shariah Advisory Council of SC had, vide its letter dated 30 September 2020 classified our Shares as shariah-compliant based on the audited combined financial statements for FYE 2019.

3.1.3 MITI approval

The MITI had, vide its letter dated 12 May 2020, taken note and has no objection to our Listing.

3.2 MORATORIUM ON OUR SHARES

In accordance with Rule 3.19(1A)(b) of the Listing Requirements and pursuant to the conditions imposed under the approval letter by Bursa Securities, a moratorium will be imposed on the sale, transfer or assignment of those Shares held by our Promoters. The moratorium shall apply to the entire shareholdings of our Promoters for a period of 6 months from the date of our admission to the ACE Market.

3. APPROVALS AND CONDITIONS (Cont'd)

Details of our Promoters and their Shares which will be subject to the abovesaid moratorium, are set out below:

Promoters	⁽¹⁾ No. of Shares	⁽²⁾ %
Teo Lay Ban	335,003,762	41.6
Teo Lay Lee	89,478,080	11.1
Teo Siew May	89,478,080	11.1
Wan Lei Chin	89,478,080	11.1
	603,438,002	74.9

Notes:

(1) After Offer for Sale

(2) Based on the enlarged share capital of 805,298,002 Shares after IPO

The moratorium has been fully accepted by our Promoters, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period.

The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under moratorium held by our Promoters to ensure that our Share Registrar does not register any transfer that contravenes with such restrictions.

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4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 23 February 2021 and will remain open until 5.00 p.m. on 2 March 2021. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative date
Issuance of this Prospectus/ Opening of Application	23 February 2021
Closing Date/Closing of Application	2 March 2021
Balloting of Application	5 March 2021
Allotment/Transfer of IPO Shares to successful applicants	12 March 2021
Date of Listing	16 March 2021

In the event there is any change to the timetable, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

4.3 DETAILS OF OUR IPO

4.3.1 Listing scheme

(i) Public Issue

A total of 161,060,000 Issue Shares representing 20.0% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(a) Malaysian Public

40,265,000 Shares, representing 5.0% of our enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

(aa) 20,132,500 Shares made available to public investors; and

(bb) 20,132,500 Shares made available to Bumiputera public investors.

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

10,469,000 Shares, representing 1.3% of our enlarged share capital, are reserved for our eligible Directors, employees and persons who have contributed to the success of our Group under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.3.

(c) Private placement to Bumiputera investors approved by MITI

80,530,000 Shares, representing 10.0% of our enlarged share capital are reserved for private placement to Bumiputera investors approved by MITI.

(d) Private placement to selected investors

29,796,000 Shares, representing 3.7% of our enlarged share capital are reserved for private placement to selected investors.

4. DETAILS OF OUR IPO (Cont'd)

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

Upon completion of our Public Issue, our share capital will increase from RM322,119,002 comprising 644,238,002 Shares to RM399,427,802 comprising 805,298,002 Shares. There is no over-allotment or 'greenshoe' option that will increase the number of our IPO Shares.

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

(ii) Offer for Sale

Our Selling Shareholders will undertake an offer for sale of 40,800,000 Offer Shares, representing 5.0% of our enlarged share capital at our IPO Price. The Offer Shares shall be undertaken by way of private placement to selected investors.

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

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

(iii) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM399,427,802 comprising 805,298,002 Shares shall be listed on the ACE Market.

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4. DETAILS OF OUR IPO (Cont'd)

4.3.2 Selling Shareholders

Details of our Selling Shareholders are as follows:

Name/ Residential address	Material relationship with our Group	⁽¹⁾ Before IPO		Offer Shares offered		After IPO	
		No. of Shares	⁽²⁾ %	No. of Shares	⁽³⁾ %	No. of Shares	⁽³⁾ %
Wan Lei Chin/ No. 18, Jalan Saujana 4/3 Taman Saujana Heights 75450 Bukit Katil Melaka	Promoter and substantial shareholder	103,078,080	16.0	13,600,000	1.69	89,478,080	11.1
Teo Lay Lee/ 32 Tanah Merah Kechil Road #12-14 Singapore 465559	Promoter, substantial shareholder and Non- Independent Non- Executive Director	103,078,080	16.0	13,600,000	1.69	89,478,080	11.1
Teo Siew May/ 34 Tanah Merah Kechil Road #05-32 East Meadows Tower 2A Singapore 465560	Promoter, substantial shareholder and Non- Independent Non- Executive Director	103,078,080	16.0	13,600,000	1.69	89,478,080	11.1

Notes:

- (1) After completion of Acquisition but prior to Public Issue
- (2) Based on the share capital of 644,238,002 Shares before IPO
- (3) Based on the enlarged share capital of 805,298,002 Shares after IPO

The Selling Shareholders shall bear all expenses such as placement fee and miscellaneous fees estimated at approximately RM0.5 million relating to the Offer Shares. The Offer Shares are not underwritten by our Underwriter.

4. DETAILS OF OUR IPO (Cont'd)

Further details of our Selling Shareholders, who are also our Promoters, substantial shareholders and/or Non-Independent Non-Executive Directors can be found in Sections 5.1 and 5.2.

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

We have allocated 10,469,000 Issue Shares to our eligible Directors, employees and persons who have contributed to the success of our Group under the Pink Form Allocations as follows:

Category	No. of eligible persons	Aggregate no. of Issue Shares allocated
Eligible Directors	4	535,000
Eligible employees	44	4,043,200
Persons who have contributed to the success of our Group	500	5,890,800
	548	10,469,000

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

(i) Allocation to eligible Directors

The criteria for allocation to our eligible Directors are based on amongst others their anticipated contribution to our Group. Teo Lay Ban (our Managing Director), Teo Lay Lee and Teo Siew May (our Non-Independent Non-Executive Directors) have opted not to participate in the Pink Form Allocations as they are already our substantial shareholders. Madeline Lee May Ming (our Independent Non-Executive Director) has also opted not to participate in the Pink Form Allocations.

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

Name	Designation	No. of Issue Shares allocated
Roy Thean Chong Yew	Independent Non-Executive Chairman	50,000
Sia Ah Piew	Executive Director / Head of Projects	415,000
Annandan A/L Chandran	Independent Non-Executive Director	10,000
Foo Yit Lan	Independent Non-Executive Director	60,000
		535,000

(ii) Allocation to our eligible employees

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

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

4. DETAILS OF OUR IPO (Cont'd)

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

Name	Designation	No. of Issue Shares allocated
Ng Mih Fern	Financial Controller	150,000
Tong Siok Meng	Head of Marketing	560,000
Goh Fong Kim	Accounts Manager	150,000
		860,000

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

Persons who have contributed to the success of our Group include business associates, contractors and suppliers.

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

4.3.4 Placement and underwriting arrangement

Our Underwriter will underwrite 50,734,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 110,326,000 Issue Shares and 40,800,000 Offer Shares available for application by Bumiputera investors approved by MITI and selected investors will be placed out by our Placement Agent and will not be underwritten.

Any Issue Shares not subscribed for by Bumiputera investors approved by MITI under the private placement as stated in Section 4.3.1(i)(c) will firstly be reallocated to selected institutional investors via private placement. Subsequently, any Issue Shares that are not taken up shall be made available firstly for subscription by the Bumiputera general public, and thereafter to the other public investors, via the balloting process.

If all Issue Shares offered to the Malaysian Public are oversubscribed, Issue Shares not subscribed for under the Pink Form Allocations (if any), will be made available for application by the Malaysian Public. Any remaining Issue Shares which are not subscribed by the Malaysian Public or Pink Form Allocations will then be made available to selected investors via private placement.

Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement. Our Board will ensure that any excess IPO Shares will be allocated on a fair and equitable manner.

4.3.5 Minimum and over-subscription

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders to comply with the public spread requirements as per the Listing Requirements or as approved by Bursa Securities.

In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner approved by our Directors.

4. DETAILS OF OUR IPO (Cont'd)

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

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

Details	No. of Shares	RM
Share capital		
As at the date of this Prospectus	644,238,002	322,119,002
To be issued under our Public Issue	161,060,000	77,308,800
Enlarged share capital upon our Listing	805,298,002	399,427,802

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

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

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus if our Company is liquidated in accordance with our Constitution.

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

4.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (i) To gain recognition through our listing status which will enhance our reputation in terms of marketing our development projects and retention of our employees;
- (ii) To provide an opportunity for the Malaysian Public, including our eligible Directors, employees and persons who have contributed to the success of our Group to participate in our equity;

4. DETAILS OF OUR IPO (Cont'd)

- (iii) To enable our Group to raise funds for the purposes specified in Section 4.9 herein; and
- (iv) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4.6 BASIS OF ARRIVING AT OUR IPO PRICE

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

- (i) Our pro forma NA per Share as at 30 September 2020 of RM0.55, calculated based on our pro forma NA as at 30 September 2020 of approximately RM439.0 million and enlarged share capital of 805,298,002 Shares upon Listing;
- (ii) The PE Multiple of our IPO Price of approximately 8.9 times based on our net EPS of approximately 5.4 sen for FYE 2019, calculated based on our PAT attributable to owners of the Company for FYE 2019 of RM43.4 million and enlarged share capital of 805,298,002 Shares upon Listing;
- (iii) Our historical financial track record as follows:

	FYE 2017	FYE 2018	FYE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000
Revenue	359,511	259,141	232,988	100,028
GP	119,271	91,689	80,537	36,464
Total comprehensive income attributable to owners of our Company	62,979	48,724	43,402	17,302

- (iv) Our competitive strengths as set out in Section 7.11; and
- (v) Our business strategies and prospects as set out in Section 7.12.

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

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 805,298,002 Shares upon Listing, our total market capitalisation will be RM386,543,041.

4. DETAILS OF OUR IPO (Cont'd)**4.8 DILUTION**

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

	RM
IPO Price	0.48
Our pro forma NA per Share as at 30 September 2020 after the Acquisition and subsequent events, before the IPO	0.56
Our pro forma NA per Share as at 30 September 2020 after the Acquisition and subsequent events, IPO and utilisation of proceeds	0.54
Decrease in the pro forma NA per Share attributable to existing shareholders	0.02
Increase in the pro forma NA per Share to our new public investors	0.06
Increase in the pro forma NA per Share as a percentage of our IPO Price	12.5%

Further details of our pro forma NA per Share as at 30 September 2020 is set out in Section 14.

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

Shareholders	⁽¹⁾ No. of Shares received	Total consideration	Average effective cost per Share
		RM	RM
Teo Lay Ban	335,003,762	167,501,882	0.50
Teo Lay Lee	103,078,080	51,539,040	0.50
Teo Siew May	103,078,080	51,539,040	0.50
Wan Lei Chin	103,078,080	51,539,040	0.50
	644,238,002	322,119,002	

Note:

⁽¹⁾ Issued under the Acquisition and acquisition from 2 existing subscriber shareholders

Save for the Shares received by our Promoters under the Acquisition as well as Pink Form Allocation to our eligible Directors and key senior management, there has been no acquisition or subscription of any of our Shares by our Directors or key senior management, substantial shareholders or persons connected to them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 3 years up to LPD.

4. DETAILS OF OUR IPO (Cont'd)**4.9 UTILISATION OF PROCEEDS****4.9.1 Public Issue**

The estimated gross proceeds from our Public Issue of RM77.3 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Notes	RM'000	%	⁽¹⁾Estimated timeframe for utilisation
Acquisition of land for development	(i)	35,000	45.3	Within 36 months
Working capital for project development	(ii)	33,109	42.8	Within 24 months
Repayment of bank borrowings	(iii)	4,000	5.2	Within 3 months
Estimated listing expenses	(iv)	5,200	6.7	Within 1 month
		77,309	100.0	

Note:

⁽¹⁾ From the date of Listing

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

Notes:**(i) Acquisition of land for development**

We have allocated RM35.0 million for acquisition of landbank in Melaka within the vicinity of our existing landbank and landbank to be acquired for our future development. This is in line with our future plans to maintain sustainable growth in our business, which are further detailed in Section 7.12.

As we are a property developer, we are continuously on the lookout for suitable landbank for our business growth. As at LPD, we are still in the midst of identifying suitable land within the Melaka region in line with our strategy for our future residential property and shop development and have not committed to any acquisitions with respect to these proceeds from our IPO.

Depending on the actual funding required for our future development projects, any shortfall will be funded from our internally generated funds and/or bank borrowings. To maintain our cost competitiveness, our Board will continue to identify reasonably priced land to ensure that our future developments are carried out on a commercially viable basis.

(ii) Working capital for project development

A total of RM33.1 million of the proceeds raised from our Public Issue will be used to supplement our general working capital requirements, which include construction costs (building and infrastructure cost), consultants and professional fees, local authorities fees and marketing expenses for our current projects. The proposed allocations of the proceeds for the projects are set out below:

4. DETAILS OF OUR IPO (Cont'd)

Projects	Commencement date	Estimated GDC (excluding land cost)	Allocation
		RM'000	RM'000
Ongoing project			
Bali Residences	June 2018	205,000	⁽¹⁾ 10,000
Taman Desa Bertam (Phases 2 and 3A)	July and September 2020	207,000	⁽²⁾ 23,109
		412,000	33,109

Notes:

(1) Being allocation for the construction costs of the project

(2) Being allocation for the following components of GDC:

	RM'000
Construction costs	22,109
Consultants & professional fees	500
Local authorities fees	500
	23,109

The allocations of working capital to the above projects reduce our external financing requirement and allow us to undertake more development projects concurrently.

(iii) Repayment of bank borrowings

We have allocated RM4.0 million to partially repay our bank overdrafts from United Overseas Bank (Malaysia) Bhd which was drawn down to finance our general working capital. We have decided to repay this bank overdraft as it carries higher interest than our other bank facilities. As at LPD, our outstanding bank overdrafts amounted to RM5.8 million, however we expect to drawdown further bank overdrafts to support our working capital requirements.

The expected annual interest savings from the repayment of the bank overdrafts is approximately RM0.3 million based on the interest rate of 7.1% per annum. However, the actual interest savings may vary depending on the then applicable interest rates.

The proposed repayment of bank borrowings coupled with the increase in total equity from the issuance of new Shares under our Public Issue will provide us with better borrowing capability to undertake larger property development projects in the future where larger financing is required. The proposed repayment of bank borrowings will reduce our pro forma gearing level from 0.373 times (after the Public Issue and Offer for Sale but prior to utilisation of proceeds) to 0.368 times (after the utilisation of proceeds).

4. DETAILS OF OUR IPO (Cont'd)**(iv) Estimated listing expenses**

An amount of RM5.2 million is allocated to meet the estimated cost of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Estimated listing expenses	RM'000
Professional fees ⁽¹⁾	2,500
Fees payable to authorities	100
Underwriting, placement and brokerage fees	2,300
Printing, advertising fees and contingencies ⁽²⁾	300
	5,200

Notes:

- (1) Includes advisory fees for, amongst others, our Principal Adviser, Solicitors, Reporting Accountants, IMR, Independent Valuer and Issuing House
- (2) Other incidental or related expenses in connection with our IPO

4.9.2 Offer for Sale

The Offer for Sale will raise gross proceeds of approximately RM19.6 million which will accrue entirely to our Selling Shareholders.

4.10 BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION**4.10.1 Brokerage fees**

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

4.10.2 Placement fees

Our Placement Agent will place out a total of 110,326,000 Issue Shares and 40,800,000 Offer Shares to Bumiputera investors approved by MITI and selected investors.

We will pay our Placement Agent a placement fee of 2.5% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of 2.5% of the value of those Offer Shares placed out by our Placement Agent will be borne entirely by the Selling Shareholders.

4.10.3 Underwriting commission

Our Underwriter has agreed to underwrite 50,734,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We will pay our Underwriter an underwriting commission of 3.0% of our IPO Price multiplied by the number of Shares underwritten.

4. DETAILS OF OUR IPO (Cont'd)

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 50,734,000 Issue Shares ("Underwritten Shares") as set out in Section 4.3.4.

The salient terms in the Underwriting Agreement are as follows:

Conditions Precedent

- (1) The obligations of the Underwriter under the Underwriting Agreement are conditional upon:
 - (i) The Underwriter being provided with such reports or confirmation and being satisfied on the Closing Date that:
 - (a) no material change or any development likely to result in a material adverse change in the financial position, business operations or conditions (financial or otherwise) of our Group taken as a whole from that subsequent to the date of the Underwriting Agreement; or
 - (b) there has not occurred any event or the discovery of any facts or circumstances which would render any representations, warranties or undertakings as set out in the Underwriting Agreement materially untrue or inaccurate or result in a material breach of the Underwriting Agreement by our Company;
 - (ii) The Underwriter receiving a certificate in the form or substantially in the form contained in Second Schedule (Certificate) of the Underwriting Agreement dated the Closing Date signed by the duly authorised officers of our Company stating inter alia that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as set out in the Underwriting Agreement;
 - (iii) The Underwriter receiving copies certified by a director or the company secretary of our Company to be a true and accurate copy and in full force and effect of a resolution of the directors:
 - (a) approving the Prospectus and the application forms, the Underwriting Agreement and the transactions contemplated by it; or
 - (b) authorising a person to sign and deliver the Underwriting Agreement on behalf of our Company;
 - (iv) the Underwriting Agreement being duly signed by all parties and stamped;
 - (v) the issue, offer and subscription of the IPO Shares not being prohibited or impeded by any statute, order, rule, directive, guideline, (whether or not having a force of law) or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia or any condition imposed by the regulators in approving the IPO Shares and all consents, approvals, authorisations or other orders required by our Company under such laws for or in connection with the IPO Shares and/or the Listing have been obtained and are in force on the Closing Date or the Underwriter being reasonably satisfied that the same will be in force on the Closing Date;

4. DETAILS OF OUR IPO (Cont'd)

- (vi) The Underwriter being satisfied that our Company has complied with and that the Listing and the IPO are in compliance with the policies, guidelines and requirements of the SC and Bursa Securities and all revisions, amendments and/or supplements to it;
 - (vii) The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("Index") being not lower than 90% of the level of the Index for at least 3 consecutive Market Days between the date of the Underwriting Agreement and the Closing Date, both dates inclusive;
 - (viii) There being no breach of and/or failure to perform any of the terms and/or the undertakings contained in the Underwriting Agreement by our Company;
 - (ix) SC having registered the Prospectus;
 - (x) The offering of the IPO Shares having been approved by Bursa Securities and any other relevant authority or authorities and remaining in full force and effect and that all conditions precedent to the approvals (except for any which can only be complied with after the IPO has been completed) have been complied with;
 - (xi) The Underwriting Agreement having become unconditional in all respects (save for any condition requiring the Underwriting Agreement to be unconditional) and not having been terminated or rescinded pursuant to the provisions thereof and upon the Underwriter's (in this regard, in its capacity as the placement agent for the 151,126,000 IPO Shares that have been placed out by the Placement Agent to selected investors ("Placement Shares")) receipt of the full subscription monies for the Placement Shares on or before the last date for payment of the Placement Shares;
 - (xii) The delivery to the ROC of the Prospectus for registration in accordance with the requirements of Sections 154 and 155 of the Act;
 - (xiii) The launching of the Prospectus taking place within 3 months from the date of the Underwriting Agreement or such other later date as the Underwriter and our Company may from time to time agree in writing; and
 - (xiv) The completion of the Acquisition,
(collectively, the "Conditions Precedent").
- (2) If after the Conditions Precedent have been complied with but our Company decides not to proceed with the IPO, the Underwriter may treat itself as so released or discharged from its obligations.
- (3) The Underwriter may waive all or any of the Conditions Precedent except for any required by a mandatory rule of law or a mandatory requirement of governmental, public or regulatory authorities in connection with the Underwriting Agreement.
- (4) If any of the Conditions Precedent in items (1)(iii), (iv), (xii) (xiii) and/or (xiv) above are not satisfied within 3 months from the date of the Underwriting Agreement or such other date as the Underwriter and our Company may from time to time agree in writing and/or if any of the conditions in items (1)(i), (ii), (v) to (x) to the extent not waived are not satisfied by the Closing Date, the Underwriter after consultation with our Company will thereupon be entitled to terminate the Underwriting Agreement by notice in writing to our Company. In such event the Underwriting Agreement will automatically be terminated and the parties to the Underwriting Agreement will be released and discharged from their obligations, except for the liability of our Company for payments of costs and expenses incurred prior to or in connection with such termination.

4. DETAILS OF OUR IPO (Cont'd)

Termination

- (5) Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may by notice in writing to our Company given at any time before the Closing Date, terminate, cancel and withdraw its commitment to underwrite the Underwritten Shares and pursuant thereto terminate the Underwriting Agreement if:
- (i) There is any breach by our Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement 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 our Company;
 - (ii) Our Company withholds any information of a material nature from the Underwriter, which, in the reasonable opinion of any underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the IPO or the distribution or sale of the IPO Shares;
 - (iii) There has occurred, happened or come into effect any material and adverse change to the business or financial condition of our Company or our Group;
 - (iv) There has occurred, happened or come into effect any event or series of events beyond the reasonable control of the Underwriter (including without limitation to, acts of government, strikes, national disorder, declaration of a state emergency, lockouts, fire, explosion, flooding, landslide, civil commotion, hurricanes/typhoons, tsunamis, widespread diseases, acts of war, sabotage, acts of God etc) which would have, or can reasonably be expected to have, a material adverse effect on the business or the operation of our Company or our Group or the success of the IPO or which is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms;
 - (v) There is the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities which would materially prejudice the success of the IPO;
 - (vi) Any government requisition or other occurrence of any nature whatsoever which would or is likely to have a material adverse effect on the financial and operational condition of our Company; or
 - (vii) There is failure on the part of our Company to perform any of its obligations contained in the Underwriting Agreement.
- (6) Upon the Underwriter serving the notice of termination in accordance with item (5) above:
- (i) the Underwriter will be released and discharged of its obligations without prejudice to its rights; and
 - (ii) the Underwriting Agreement will thereafter be of no further force or effect and no party will be under any liability to any others in respect of the Underwriting Agreement, except that our Company will remain liable in respect of:
 - (a) any of our obligations and liabilities in relation to representations, warranties and undertakings and right to be indemnified by our Company;

4. DETAILS OF OUR IPO (Cont'd)

- (b) for full payment of the underwriting commission, costs and expenses already incurred up to the date on which such notice was given and for the payment of any taxes, duties or levies; and
- (c) to refund to the Underwriter the subscription monies, if any, relating to the Underwritten Shares without any deduction.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

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

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

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

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

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

The shareholdings of our Promoters and substantial shareholders in our Company before and after IPO are set out below:

Name	Nationality	⁽¹⁾ Before IPO			⁽²⁾⁽³⁾ After IPO		
		Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares
Teo Lay Ban	Malaysian	335,003,762	52.0	-	335,003,762	41.6	-
Teo Lay Lee	Malaysian	103,078,080	16.0	-	89,478,080	11.1	-
Teo Siew May	Malaysian	103,078,080	16.0	-	89,478,080	11.1	-
Wan Lei Chin	Malaysian	103,078,080	16.0	-	89,478,080	11.1	-

Notes:

- (1) Based on the share capital of 644,238,002 Shares before IPO
- (2) Based on the enlarged share capital of 805,298,002 Shares after IPO
- (3) After Public Issue and Offer for Sale

Our Promoters and substantial shareholders do not have different voting rights from other shareholders of our Company.

5.1.2 Profiles of Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows:

(i) Teo Lay Ban

Teo Lay Ban is our Promoter and substantial shareholder. He is also our Managing Director. His profile is set out in Section 5.2.2.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(ii) Teo Lay Lee

Teo Lay Lee is our Promoter and substantial shareholder. He is also our Non-Independent Non-Executive Director. His profile is set out in Section 5.2.2.

(iii) Teo Siew May

Teo Siew May is our Promoter and substantial shareholder. She is also our Non-Independent Non-Executive Director. Her profile is set out in Section 5.2.2.

(iv) Wan Lei Chin

Wan Lei Chin, a Malaysian aged 70, is our Promoter and substantial shareholder.

In 1968, she completed her Form 5 in Sultan Ibrahim Girls School, Johor Bahru, Johor and has been a homemaker since and up to LPD.

5.1.3 Changes in Promoters' and substantial shareholders' shareholdings

The changes in our Promoters and substantial shareholders' shareholdings since our incorporation are as follows:

Name	As at incorporation			⁽¹⁾ After Acquisition			⁽²⁾ After IPO				
	Direct		Indirect	Direct		Indirect	Direct		Indirect		
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	
Teo Lay Ban	-	-	-	-	335,003,762	52.0	-	335,003,762	41.6	-	-
Teo Lay Lee	-	-	-	-	103,078,080	16.0	-	89,478,080	11.1	-	-
Teo Siew May	-	-	-	-	103,078,080	16.0	-	89,478,080	11.1	-	-
Wan Lei Chin	-	-	-	-	103,078,080	16.0	-	89,478,080	11.1	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Notes:

- (1) Based on the share capital of 644,238,002 Shares after Acquisition
- (2) Based on the enlarged share capital of 805,298,002 Shares after IPO

5.1.4 Persons exercising control over the corporation

Save for our Promoters, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2 DIRECTORS

5.2.1 Directors' shareholdings

Save for Madeline Lee May Ming who does not have any Shares in our Company and has opted out of the Pink Form Allocations, the shareholdings of our other Directors in our Company before and after IPO assuming that they will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

Name	Designation/ Nationality	⁽¹⁾ Before IPO			⁽²⁾⁽³⁾ After IPO		
		Direct	Indirect		Direct	Indirect	
		No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares
Roy Thean Yew	Independent Non-Executive Chairman/ Malaysian	-	-	-	50,000	*	-
Teo Lay Ban	Managing Director/ Malaysian	335,003,762	52.0	-	335,003,762	41.6	-
Sia Ah Piew	Executive Director/ Malaysian	-	-	-	415,000	*	-
Teo Lay Lee	Non-Independent Non-Executive Director/ Malaysian	103,078,080	16.0	-	89,478,080	11.1	-
Teo Siew May	Non-Independent Non-Executive Director/ Malaysian	103,078,080	16.0	-	89,478,080	11.1	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Designation/ Nationality	(1) Before IPO			(2)(3) After IPO		
		Direct		Indirect	Direct		Indirect
		No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares
Annandan A/L Chandran	Independent Non- Executive Director /Malaysian	-	-	-	10,000	*	-
Foo Yit Lan	Independent Non- Executive Director /Malaysian	-	-	-	60,000	*	-

Notes:

- * Less than 0.1%
- (1) Based on the share capital of 644,238,002 Shares after Acquisition
- (2) Based on the enlarged share capital of 805,298,002 Shares after IPO
- (3) Assuming that our Directors will fully subscribe for their respective entitlements under the Pink Form Allocations

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

5.2.2 Profiles of Directors

The profiles of our Directors are as follows:

Roy Thean Chong Yew, a Malaysian aged 50, is our Independent Non-Executive Chairman and was appointed to our Board on 20 February 2020.

He completed the Malaysian Institute of Certified Public Accountants ("MICPA") course with Kolej Tunku Abdul Rahman (now known as TAR University College) in 1993. He is a member of MICPA, Malaysian Institute of Accountants ("MIA") and a Chartered Member of Institute of Internal Auditors of Malaysia ("CMIIA").

In 1994, he began his career as an Audit Assistant in Skelchy Su Lim & Associates, a firm involved in the provision of accounting, auditing and taxation advisory services and a member firm of PKF International. He was gradually promoted through various positions during his tenure. He undertook various responsibilities including leading the audit team to conduct audit assignments, liaising with stakeholders and ensuring compliance with auditing and accounting standards as well as regulatory requirements. He was also involved in corporate and advisory work which included amongst others, business valuations, financial due diligence, preparation of business plans and financial modelling. He was a Manager before he left in 2003.

In 2003, he joined Russell Bedford LC & Company, which is involved in the provision of audit, tax, accounting and corporate secretarial and liquidation services which is also a member firm of Russell Bedford International as an Associate Director. In 2004, he was admitted as a member of MICPA. In 2007, he was seconded to the newly set up corporate advisory arm, Russell Bedford Malaysia Business Advisory Sdn Bhd ("RBMBA"), a company involved in the provision of tax and business advisory and consultancy services, as an Executive Director. During his tenure with RBMBA he was involved in corporate and advisory work which included amongst others, business valuations, financial due diligence, preparation of business plans and financial modelling. In addition, he was also involved in internal control and business risk review; corporate governance, risk management, merger and acquisition related services. He left in 2009.

From 2010 to 2011, he also took on the role of an internal auditor for Skycomp Technology Sdn Bhd, a company involved in the trading and distribution of computer hardware, software and biometrics devices and RCG Matrix Sdn Bhd, a company involved in the trading and distribution of computer hardware and software, which were part of RCG Holdings Limited (now known as China e-Wallet Payment Group Limited) group of companies, which is listed on the Hong Kong Stock Exchange.

In 2011, he joined Jiwa Holdings Sdn Bhd ("Jiwa"), a company involved in timber furniture manufacturing and trading businesses, as an Executive Director. In 2012, he was appointed as Executive Director of JMES Facilities Sdn Bhd ("JMES"), a company involved in the provision of facilities management services and a subsidiary of Jiwa. In 2013, he also assumed the role of Group Financial Controller of Jiwa. He left Jiwa in 2016 but continued his position in JMES, before leaving in January 2019 to start being actively involved as a full time staff in his own professional firm, Talent League Sdn Bhd ("TLSB") which provides advisory and governance services. He is currently the Executive Director of TLSB.

As at LPD, he is also the Independent Non-Executive Directors of Malaysia Steel Works (KL) Berhad, a company listed on the Main Market of Bursa Securities and JAG Berhad, a company listed on the ACE Market of Bursa Securities. He was previously an Independent Non-Executive Chairman with Connectcounty Holdings Berhad, a company listed on the ACE Market of Bursa Securities.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Teo Lay Ban, a Malaysian aged 48, is our Managing Director. He was appointed to our Board on 10 October 2019 and is a member of our Risk Management Committee. He is responsible for overseeing business development activities, overall strategic direction and management of our Group as well as driving the growth of our business.

Teo Lay Ban graduated with a Bachelor of Science in Computer Science from Indiana University, USA in 1995.

In 1995, he began his career in Sony Systems Design International Pte Ltd, a company involved in the development of software and programming, as an Associate Systems Engineer where he was responsible for providing software support for the company's production plants across South East Asia.

In 1997, he joined Teladan Setia as a Business Development Manager where he worked alongside Datuk Teo Poh Boon and assisted in site selection and land acquisition, which comprised assessing findings of due diligence studies and feasibility studies on land, participating in price negotiations during land acquisition as well as formulation of development concepts, marketing and financing plans. He was also involved in the selection and appointment of contractors and professional consultants to ensure that the property development projects were completed on time, within budget and were of the standard of quality required. Further, he acquired practical experience in planning and managing the financial aspects such as the commercial values of property development projects in terms of budget forecasts and GDV calculations, taking into consideration the GDC, financing requirements, pricing of properties and profitability.

In 2001, he was promoted to General Manager where he oversaw and managed the day to day operations of our business across all departments comprising sales and marketing, conveyancing, project implementation, business development, finance and administration. He was also involved in identifying and analysing new project development opportunities that were in line with our strategic business directions. In 2003, he was appointed as the Executive Director of Teladan Setia where he gradually took on more responsibilities in strategic planning for the development and growth of our Group and took over more responsibilities such as managing acquisition of new land for development, development planning layout, marketing, securing term loans, bridging loans and end-financing from various financial institutions.

Sia Ah Piew, a Malaysian aged 49, is our Executive Director. He was appointed to our Board on 20 February 2020. He is responsible for leading and overseeing matters related to our Group's property project management, delivery and completion, to ensure our property development projects are completed on-budget, in a timely manner and according to our quality requirements through regular on-site inspections and monitoring of progress reports. He is involved in the management of the entire process of our property development projects from development planning, regulatory compliance, projects implementation and construction, quality control and safety monitoring as well as fulfilment of our obligations to our customers during the DLP.

He graduated with a Diploma in Technology (Building) from Kolej Tunku Abdul Rahman (now known as TAR University College) in 1996.

In 1996, he began his career in Sri Pengkalan Binaan Sdn Bhd, a company involved property development, as an in-house Quantity Surveyor where he assisted in building materials planning and cost control as well as sub-contractors' claims preparation.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 1997, he joined Geahin Engineering Berhad, a company involved in the provision of civil and structural engineering services, as an in-house Quantity Surveyor where he was responsible for building materials planning, monitoring, purchasing and cost control and conducting construction sites measuring and monitoring to ensure sufficient building materials, equipment and machinery as well as allocation of resources.

In 1998, he joined Seri Jasmine Sdn Bhd, a company involved in property development and the provision of construction services, as an in-house Quantity Surveyor. He was subsequently promoted to Project Manager where he was involved in managing construction projects which includes appointment of subcontractors through tender processes, monitoring of construction activities and ensuring the projects were delivered within the required schedule, budget and quality. He left Seri Jasmine Sdn Bhd in August 2000.

In September 2000, he joined Guan Joo Hin Construction, a company involved in property development and the provision of construction services, as a Project Manager and was responsible for overseeing and managing residential and commercial property development projects. He was involved in the appointment of main contractors, monitoring of main contractor and subcontractor works and ensuring the construction works were delivered within the required schedule, budget and quality. He left Guan Joo Hin Construction in January 2001.

In May 2001, he rejoined Seri Jasmine Sdn Bhd as a Project Manager where he was involved in overseeing and managing residential, commercial and industrial property development projects. He left Seri Jasmine Sdn Bhd in February 2009.

In March 2009, he joined Cityteam Construction Sdn Bhd, a company involved in property development and the provision of construction services, as a Construction Manager where he was involved in overseeing and managing the construction works of residential property development projects. During the same year, he left to join our Group as an Assistant Project Manager where he was responsible for assisting in coordinating the construction activities of our property development projects. He was subsequently promoted to Project Manager in 2011, and was responsible for overseeing and managing the progress of property development projects, ensuring these property development projects were completed within the required schedule, budget and quality.

In 2014, he assumed his current role as our Head of Projects and was subsequently appointed as our Executive Director on 20 February 2020.

Teo Lay Lee, a Malaysian aged 43, is our Non-Independent Non-Executive Director. He was appointed to our Board on 20 February 2020.

Teo Lay Lee obtained his Bachelor of Engineering (Honours) in Civil Engineering from The Victoria University of Manchester, UK in 2000. He pursued his postgraduate studies and graduated with a Master of Science from University of Manchester Institute of Science and Technology, UK in 2001.

In 2002, he began his career as a Systems Engineer in Singapore Airlines Limited, a company involved in the provision of air transportation, engineering, pilot training, air charter and tour wholesaling services, where he was responsible for providing technical expertise for the planning, designing and architecting of information technology ("IT") solutions. He was promoted to Senior Systems Engineer and subsequently to Assistant Manager in 2009 where he was responsible for overseeing and managing a team of systems engineers to deliver IT solutions.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 2011, he left Singapore Airlines Limited to join Huttons Asia Pte Ltd, a company involved in the provision of real estate marketing and consultancy services, as an Associate Marketing Consultant and was involved in the marketing, negotiation and sale of condominiums to the Singaporean market. Over the years of service, he held several positions in the company and was involved in the marketing, negotiation and sale of international properties from various countries which included amongst others, Cambodia, Malaysia, Thailand and UK.

He assumed his current position as an Associate Senior District Director in 2018, where his responsibilities include undertaking market research and site studies, identifying and assessing suitable projects for sale, conducting agent briefings and consumer seminars, and developing business relationships with property developers for overseas markets including amongst others, Cambodia and the UK.

Teo Siew May, a Malaysian aged 45, is our Non-Independent Non-Executive Director. She was appointed to our Board on 20 February 2020.

Teo Siew May graduated with a Bachelor of Science (Honours) in Accounting and Finance from The University of Warwick, UK in 1998. She was admitted as a Fellow of The Institute of Chartered Accountants in England and Wales ("ICAEW") and as a Member of the Institute of Singapore Chartered Accountants since 2013.

In 1998, she began her career as a Trainee Chartered Accountant in Foo Kon Tan Grant Thornton (now known as Foo Kon Tan LLP), an accountancy firm involved in the provision of assurance, tax and advisory services and was subsequently promoted to Assistant Manager in 2004 where she was responsible for conducting financial and statutory audits of companies as well as supervising audit assistants and trainees.

In 2005, she joined ShareInvestor Pte Ltd, a company involved in the provision of online investor relations and financial applications services, as a Finance and Administration Manager and in 2008, she was promoted to Group Financial Controller. In 2013, she was transferred to Singapore Press Holdings Ltd, a company involved in the provision of print and digital media and the holding company of ShareInvestor Pte Ltd, where she assumed the role of an Assistant Vice President, Finance. She was responsible for the overall budgeting and financial reporting.

In 2018, she participated in the management buyout of ShareInvestor Pte Ltd and was designated as the Finance Director in 2019. She subsequently assumed her current position as its Chief Financial Officer in 2020.

Annandan A/L Chandran, a Malaysian aged 68, is our Independent Non-Executive Director. He was appointed to our Board on 10 October 2019 and is also the Chairman of Remuneration Committee. He is also a member of our Audit Committee, Nominating Committee and Risk Management Committee. He has 35 years of experience in the banking industry.

He graduated with a Masters of Business Administration from University of Hull, UK in 1994 after obtaining a Diploma in Management Programme from the Malaysian Institute of Management in 1988. He also obtained a Diploma in Banking and Financial Services from Institut Bank-Bank Malaysia in 1999. He became a Certified Financial Planner in 2003 and a Registered Financial Planner in 2006.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 1974, he began his career in United Asian Bank Berhad (now known as CIMB Bank Berhad) as a Junior Officer providing administrative assistance in the purchasing department for the centralised procurement of table stationeries and printed documents. In 1978, he was promoted to Officer in the Credit Department where he was responsible for loan processing, approval and recovery. In 1993, he left as Manager to join Bank of Commerce (M) Berhad (now known as CIMB Bank Berhad) as Assistant Vice President, where he was also responsible for loan processing, approval and recovery. In 1996, he was promoted to Branch Manager where he was involved in overseeing and managing the operations of Melaka Raya branch in Melaka.

In 1999, he joined Bumiputra-Commerce Bank Berhad (now known as CIMB Bank Berhad) as a Hub Branch Manager, where he was responsible for overseeing and managing the operations of 8 branches in Melaka. In 2003, he was appointed as an Area Sales Manager (Melaka) where he was responsible for managing all the sales teams in 8 branches in Melaka for the sale of retail banking products.

In 2007, he joined CIMB Bank Berhad as an Area Retail Manager where he was responsible for managing all the sales teams in the branches located within northern Johor for the sale of retail banking products. In 2008, he retired from his position in CIMB Bank Berhad.

Upon his retirement, in 2009 and 2012, he joined AmBank (M) Berhad under 2 contractual employments with tenures of 6-month and 3-month respectively for the position of Data Collection, Non-Retail Credit Models Project in Group Risk Management where he was involved in data collection of delinquent business accounts to facilitate further analysis for the development of the credit model for the bank.

Since 2006, he commenced his own venture as a Certified Financial Planner where he is involved in the provision of financial planning services in his own personal capacity. On 15 September 2020, he registered a sole proprietorship named CA Consultancy to provide his financial planning services.

Madeline Lee May Ming, a Malaysian aged 53, is our Independent Non-Executive Director. She was appointed to our Board on 10 October 2019 and is also the Chairwoman of our Nominating Committee. She is also a member of our Audit Committee, Remuneration Committee and Risk Management Committee.

She obtained her Bachelor of Laws from The Queen's University of Belfast, UK in 1991. She pursued her postgraduate studies at the same university and graduated with a Masters of Laws in 1992.

In 1993, she was called to the Bar of England and Wales and is a member of Gray's Inn, UK since 1993. Subsequently, she was called to the Singapore Bar in 1995 and also to the Malaysian Bar in 2001.

She has over 25 years of experience in the legal profession. She began her career as a pupil Barrister in the Chambers of 4 Brick Court, London, a barrister's chambers in 1993 until 1994. She then moved to Singapore and continued her legal practice with Palakrishnan and Partners, Singapore, a law firm, as an Associate from 1994 to 1996, where she practised civil and criminal litigation. In 1996, she joined Helen Yeo & Partners (now known as Dentons Rodyk), a law firm, as an Associate and was based at their Vietnam office until 1999 where she advised on laws relating to foreign investors in Vietnam.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 2000, she returned to Malaysia and joined Raslan Loong, a law firm as an Associate where she began focusing in the areas of corporate and commercial law before leaving in 2003 to join Mazlan & Associates, a law firm. She was made a partner at Mazlan & Associates in 2006 and continued practicing at the legal firm until 2014. In 2015, she co-founded Ilham Lee, a law firm and remains a Partner of the firm as at LPD.

As at LPD, she also sits on the board of directors of Icon Offshore Berhad, a company listed on the Main Market of Bursa Securities, as an Independent Non-Executive Director, a position she has held since 2014.

Foo Yit Lan, a Malaysian aged 63, is our Independent Non-Executive Director. She was appointed to our Board on 10 October 2019 and is also the Chairwoman of our Audit Committee and Risk Management Committee. She is also a member of our Remuneration Committee and Nominating Committee. She has more than 30 years of experience in accounting, taxation and finance.

She graduated with a Diploma in Commerce (Business Management) from Kolej Tunku Abdul Rahman (now known as TAR University College) in 1982 after obtaining a professional qualification in Company Secretarial course from The Institute of Chartered Secretaries and Administrators (ICSA) in 1982. She completed her professional studies with the Association of Chartered Certified Accountants ("ACCA") in 1990. She has been a registered chartered accountant with the Malaysian Institute of Accountants since 1994, a Fellow Member of ACCA since 1998 and a Certified Financial Planner since 2003.

In 1982, she began her career in SGV-KC Taxation Services Sdn Bhd (now known as Deloitte Tax Services Sdn Bhd), a company involved in the provision of accounting, auditing and taxation advisory services, as a Tax Assistant where she was responsible for providing administrative assistance in tax and accounting matters. In 1983, she joined Goonting & Chew (now known as C. P. Chew and Co), a company involved in the provision of accounting, auditing and taxation advisory services, as a Tax cum Audit Assistant where she assisted in tax and audit assignments.

In 1989, she left to join Nalin Industries Sdn Bhd, a company involved in the refining and processing of palm oil, as an Assistant Accountant where she was responsible for assisting in the preparation of monthly management accounts, budget and tax computation as well as developing internal controls to ensure proper documentation of transactions and recording of accounts. In 1990, she joined Kemayan Corporation Berhad, a company involved in the provision of construction services, project management, property development and educational advice and services, as an Accountant where she was responsible for the preparation and review of financial accounts and tax documents, preparation of annual budget and implementation of credit control policies. In 1993, she was promoted to Group Financial Controller where she was responsible for overseeing the preparation of the group financial accounts and annual budgets, corporate restructuring as well as mergers and acquisitions before leaving in 2011.

In 2011, she set up Rigel Consulting Sdn Bhd where she assumed her current responsibilities as a Managing Director and is involved in the provision of tax advisory, accounting and finance as well as corporate restructuring services.

She is also a shareholder and director of Seven-S Consulting Sdn Bhd, a management consulting firm since 1998.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.3 Principal business performed outside our group

Save as disclosed below, none of our Directors has any other principal directorship, shareholding and/or principal business activities performed outside our Group in the past 5 years up to LPD:

(i) Roy Thean Chong Yew

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u> Techniques Geosystems Sdn Bhd	Design and construction geotechnical engineering works	Alternate Director	28 December 2010	-	-	-
JAG Berhad	Investment holding company, computer software development, maintenance and support services	Director	18 October 2010	-	-	-
Squarecloud (Malaysia) Sdn Bhd	Information technology service activities	Director	2 August 2016	-	99.7	-
Malaysia Steel Works (KL) Bhd	Manufacturing of steel bars and steel billets	Director	2 July 2015	-	-	-
Talent League Sdn Bhd	Corporate advisory services	Director	13 July 2012 ⁽¹⁾	-	45.0	-
Collinson Power Pte Ltd	Provision of electrical works	-	-	-	1.0	-
Jiwa Holdings Sdn Bhd	Project management and investment holding	Director	4 January 2010	18 April 2016	14.7	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Past involvement Flonic Engineering Sdn Bhd	Trading in building materials and equipment parts	Director	1 March 2016	25 January 2018	-	-
Connectcountry Holdings Berhad	Investment holding	Director	29 September 2014	8 June 2016	-	-
Jiwa Furniture Sdn Bhd	Project management, interior fit out, manufacturing and trading in wood furniture	Director	28 November 2007	18 April 2016	-	-
Jiwa Furniture Marketing Sdn Bhd	Trading in audio equipment, computer accessories, software and other related products	Director	30 October 2009	18 April 2016	-	-
JMES Facilities Sdn Bhd	Mechanical and electrical engineering and maintenance services	Director	28 March 2012	2 January 2019	-	-
TCY Global Sdn Bhd	Investment holding	Director	5 May 2017	25 May 2017	-	-
Flonic Sdn Bhd	Provision of precision cleaning solution	Director	1 March 2016	25 January 2018	-	-
Flonic Advance Sdn Bhd	Design and manufacture of precision cleaning system, designing and manufacturing of metal designing and manufacturing of turbine ventilator	Director	1 March 2016	5 March 2019	-	-
Borderless Fame Sdn Bhd	Export and import of a variety of goods without any particular specialisation	Director	11 May 2015	17 August 2016	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
SC Construction Sdn Bhd ⁽²⁾	Project management construction and construction related industry	Director	11 June 2015	1 March 2016	-	-
Connect Solution Sdn Bhd ⁽³⁾	Trading in cables, connectors and its related products, engaging in cyber security business	Director	29 March 2015	17 August 2016	-	-

Notes:

- (1) He was a Director since incorporation and was only actively involved as a full time staff in Talent League Sdn Bhd starting January 2019
- (2) Held under SC Estate Builder Berhad, a company listed under the ACE Market
- (3) Held under Connectcountry Holdings Berhad, a company listed under the ACE Market

(ii) Teo Lay Ban

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement Polywell Enterprise	Investment holding of properties and shares	Director	1 July 1997	-	39.2	-
Subsidiaries Of Polywell Enterprise Indra	Property investment	Director	18 December 2003	-	2.1	(1)94.7
Polywell Development	Property investment	Director	24 August 2001	-	-	(1)100.0
Polywell Properties	Investment holding of shares in Busaria Jaya Plantation Sdn Bhd	Director	8 October 2001	-	-	(1)100.0

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Polyintan	Property investment	Director	8 October 2001	-	-	(1)(3)100.0
Matan Development Sdn Bhd	Management consultancy	Director	9 January 2020	-	-	(1)100.0
Other involvements						
Widenote	Lodging services	Director	27 March 2017	-	100.0	-
Influx Formula Sdn Bhd	Property investment	Director	18 July 2019	-	100.0	-
Summerose Land Sdn Bhd	Investment holding	-	-	-	3.6	-
Busaria Jaya Plantation Sdn Bhd	Cultivation of oil palm	-	-	-	1.7	(2)22.0
AMS Consortium Sdn Bhd	Investment holding	-	-	-	3.6	-
Teo Poh Boon Enterprise Sdn Bhd	Dormant	Director	28 February 2020	-	32.7	-
Past involvement						
Hartamas Selesa Sdn Bhd	Construction services	Director	16 October 2017	16 May 2018	-	-
Taman Saujana Heights PMC Berhad	Project management	Director	8 December 2015	21 January 2019	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of		% of shareholdings held	
			appointment	Date of resignation	Direct	Indirect
Vittoria Innovation Sdn Bhd	Wholesaler, retailer, import and export of bags and fashion apparels and accessories Dissolved.	-	-	-	10.0	-

Notes:

- * less than 0.1%
- (1) Deemed interest by virtue of his shareholding in Polywell Enterprise pursuant to Section 8 of the Act
- (2) Deemed interest by virtue of Polywell Enterprise's shareholding in Polywell Properties pursuant to Section 8 of the Act
- (3) Pending acquisition by our Group, please refer to Section 6.5 for further details of the acquisition

(iii) Sia Ah Piew

Company	Principal activities	Position held	Date of		% of shareholdings held	
			appointment	Date of resignation	Direct	Indirect
Past involvement GML Setia Sdn Bhd	Construction services	Director	25 February 2014	3 January 2019	-	-

(iv) Teo Lay Lee

Company	Principal activities	Position held	Date of		% of shareholdings held	
			appointment	Date of resignation	Direct	Indirect
Present involvement Polywell Enterprise	Investment holding of properties and shares	Director	1 January 2012	-	19.6	-

Subsidiaries Of Polywell Enterprise

Indra	Property investment	Director	9 January 2020	-	1.1	(1)94.7
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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Polywell Development	Property investment	Director	9 January 2020	-	-	(1)100.0
Polywell Properties	Investment holding of shares in Busaria Jaya Plantation Sdn Bhd	Director	9 January 2020	-	-	(1)100.0
Polyintan	Property investment	Director	9 January 2020	-	-	(1)(3)100.0
Matan Development Sdn Bhd	Management consultancy	Director	9 January 2020	-	-	(1)100.0
Other involvements						
Summerose Land Sdn Bhd	Investment holding	-	-	-	1.8	-
Busaria Plantation Sdn Bhd	Cultivation of oil palm	-	-	-	0.9	(2)22.0
AMS Consortium Sdn Bhd	Investment holding	-	-	-	1.8	-
Teo Poh Boon Enterprise Sdn Bhd	Dormant	-	-	-	16.4	-

Notes:

- * less than 0.1%
- (1) Deemed interest by virtue of his shareholding in Polywell Enterprise pursuant to Section 8 of the Act
- (2) Deemed interest by virtue of Polywell Enterprise's shareholding in Polywell Properties pursuant to Section 8 of the Act
- (3) Pending acquisition by our Group, please refer to Section 6.5 for further details of the acquisition

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(v) Teo Siew May

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement SI Portal.Com Sdn Bhd	Provision of online investor relation services for listed companies, developing applications for the financial industry and operating a financial portal on stocks and shares as well as providing events management services	Director	22 December 2008	-	-	-
Waterbrooks Consultants Pte Ltd	Public relations consultancy services, mass communications/ public relations, general management consultancy services	Director	28 May 2019	-	-	-
Shareinvestor Pte Ltd	Provision of online investor relation services for listed companies, developing applications for the financial industry and operating a financial portal on stocks and shares as well as providing events management services	Secretary Secretary / Chief Financial Officer ⁽¹⁾	13 November 2018 13 November 2018 / 1 January 2020 ⁽¹⁾	-	-	-
Shareinvestor.Com Holdings Pte Ltd	Investment holding of shares	Secretary	13 November 2018	-	-	-
Vibranium Capital Pte Ltd	Investment holding	Secretary	13 November 2018	-	7.2	-
Polywell Enterprise	Investment holding of properties and shares	Director	9 January 2020	-	19.6	-
Summerose Land Sdn Bhd	Investment holding	-	-	-	1.8	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Busaria Jaya Plantation Sdn Bhd	Cultivation of oil palm	-	-	-	0.9	(3)22.0
AMS Consortium Sdn Bhd	Investment holding	-	-	-	1.8	-
Teo Poh Boon Enterprise Sdn Bhd	Dormant	-	-	-	16.4	-
Subsidiaries Of Polywell Enterprise						
Indra	Property investment	Director	9 January 2020	-	1.1	(2)94.7
Polywell Development	Property investment	Director	9 January 2020	-	-	(2)100.0
Polywell Properties	Investment holding of shares in Busaria Jaya Plantation Sdn Bhd	Director	9 January 2020	-	-	(2)100.0
Polyintan	Property investment	Director	9 January 2020	-	-	(2)(4)100.0
Matan Development Sdn Bhd	Management consultancy	Director	9 January 2020	-	-	(2)100.0
Past involvement						
Blu Inc Media Pte Ltd	Wholesale of books and magazines, printing of periodicals, books and magazines	Director	1 February 2013	31 December 2018	-	-
Culcreative International Pte Ltd	Investment holding	Director	1 February 2013	12 June 2017	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Hardware Zone Pte Ltd	Publishing of journals, periodicals and magazines, information service activities including system consultancy	Director	1 February 2013	31 December 2018	-	-
SPH Silver Care Pte Ltd	Investment holding	Director	1 February 2013	4 April 2017	-	-
Blu Inc Singapore Pte Ltd	Publishing of journals, periodicals and magazines	Director	1 February 2013	31 December 2018	-	-

Notes:

- (1) She is the Chief Financial Officer as well as the company secretary for purposes of statutory filings
- (2) Deemed interest by virtue of his shareholding in Polywell Enterprise pursuant to Section 8 of the Act
- (3) Deemed interest by virtue of Polywell Enterprise's shareholding in Polywell Properties pursuant to Section 8 of the Act
- (4) Pending acquisition by our Group, please refer to Section 6.5 for further details of the acquisition

(vi) Madeline Lee May Ming

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement Icon Offshore Berhad	Investment holding. Its subsidiaries are offshore support vessel providers	Director	26 February 2014	-	*	-
Marvel Plus Holding Sdn Bhd	Investment holding in properties and shares	-	-	-	18.8	-
Easow Holdings Sdn Bhd	Investment holding in shares	-	-	-	7.8	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Past involvement</u> Aptium Sdn Bhd	General trading	Director	28 January 2003	13 April 2017	-	-
Note:						
* Less than 0.1%						
(vii) Foo Yit Lan						
Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u> SG Mineral Resources Sdn Bhd	Dormant	Director	2 January 2018	-	100.0	-
Rigel Consulting Sdn Bhd	Provision of book-keeping services, investment and other financial consultancy services	Director/ Secretary	23 May 2011/ 20 September 2011	-	33.3	-
Seven-S Consulting Sdn Bhd	Provision of consultancy and general insurance agency services	Director/ Secretary	20 October 1998	-	50.0	-
Power Root Berhad	Investment holding. Its subsidiaries are involved in manufacturing and distribution of beverage products	-	-	-	*	-
<u>Past involvement</u> Ascella Consulting Sdn Bhd	Provision of management consultancy services	Secretary	20 September 2011	8 April 2016	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Note:

* Less than 0.1%

(viii) Annandan A/L Chandran

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement CA Consultancy	Provision of financial advisory services	Sole proprietor	15 September 2020	-	100.0	-

The involvement of our Directors in those business activities outside our Group does not give rise to any conflict of interest situation with our business. The involvement of our Executive Directors in those business activities does not require significant amount of time, and hence does not affect their ability to perform their executive roles and responsibilities to our Group. In particular, the involvement of Teo Lay Ban, Teo Lay Lee and Teo Siew May in the Polywell Enterprise group of companies would not give rise to any conflict of interest situation as these companies are not involved in property development.

Please refer to Section 11.1 for details of conflict of interest between our Group and our Directors and substantial shareholders.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.4 Directors remuneration and benefits

The remuneration of our Directors including fees, salaries, bonuses, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. As at LPD, the Company pays monthly directors' fees, and also provides other benefits such as meeting allowances. Any change in Director's fees as set out in our Constitution must be approved by our shareholders pursuant to an ordinary resolution passed at a general meeting where appropriate notice of the proposed changes should be given. Please refer to Section 16.3 for further details. Additionally, apart from the Pink Form Allocations, there is no profit-sharing plan or share options participated by the Directors.

The aggregate remuneration and benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2020 and 2021 are as follows:

	Directors' fees		Salaries		Bonuses		Other emolument		Benefits-in-kind		Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
FYE 2020												
Roy Thean Chong Yew	84	-	-	-	-	-	1	-	-	-	85	
Teo Lay Ban	-	720	(2)	(2)	87	-	-	-	-	807		
Sia Ah Piew	-	280	(2)	(2)	34	-	-	-	-	314		
Teo Lay Lee	(1)120	-	-	-	1	-	-	-	-	121		
Teo Siew May	(1)120	-	-	-	1	-	-	-	-	121		
Annandan A/L Chandran	48	-	-	-	1	-	-	-	-	49		
Madeline Lee May Ming	48	-	-	-	1	-	-	-	-	49		
Foo Yit Lan	48	-	-	-	1	-	-	-	-	49		
Proposed for FYE 2021												
Roy Thean Chong Yew	84	-	-	-	1	-	-	-	-	85		
Teo Lay Ban	-	720	(2)	(2)	87	-	-	-	-	807		
Sia Ah Piew	-	360	(2)	(2)	37	-	-	-	-	397		
Teo Lay Lee	(1)120	-	-	-	1	-	-	-	-	121		
Teo Siew May	(1)120	-	-	-	1	-	-	-	-	121		
Annandan A/L Chandran	48	-	-	-	1	-	-	-	-	49		
Madeline Lee May Ming	48	-	-	-	1	-	-	-	-	49		
Foo Yit Lan	48	-	-	-	1	-	-	-	-	49		

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

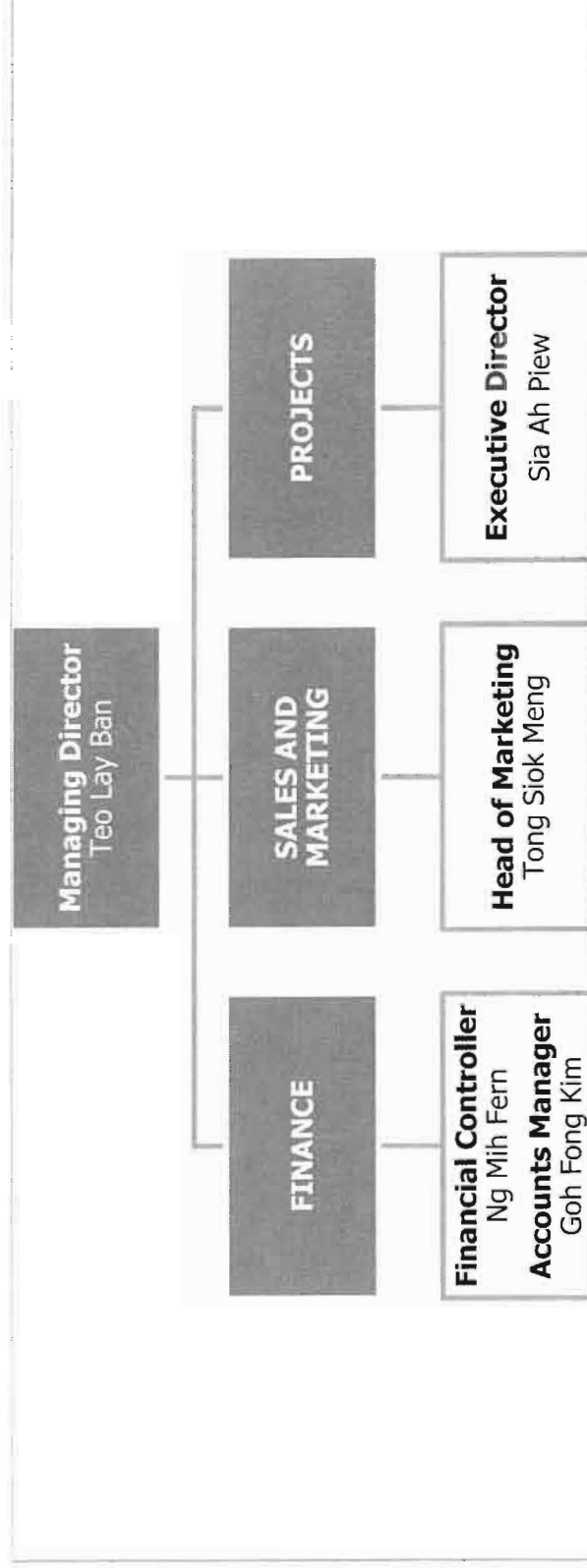
Notes:

- (1) Inclusive of Directors' fees for Teladan Setia
- (2) The bonuses for FYE 2020 and 2021, if any, will be determined at a later date based on our Group's performance, and will be subject to recommendation of our Remuneration Committee and approval by our Board

Details of other benefits paid to our Directors (who are also our Promoters and substantial shareholders) within the 2 years preceding the date of this Prospectus are disclosed in Section 16.4.

5.3 KEY SENIOR MANAGEMENT

5.3.1 Management structure



5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3.2 Key senior management shareholdings

The shareholdings of our key senior management before and after IPO assuming that they will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

Name	Designation/ Nationality	⁽¹⁾ Before IPO			⁽²⁾⁽³⁾ After IPO		
		Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares
Teo Lay Ban	Managing Director / Malaysian	335,003,762	52.0	-	335,003,762	41.6	-
Sia Ah Piew	Executive Director/ Malaysian	-	-	-	415,000	*	-
Ng Mih Fern	Financial Controller/ Malaysian	-	-	-	150,000	*	-
Tong Siok Meng	Head of Marketing/ Malaysian	-	-	-	560,000	*	-
Goh Fong Kim	Accounts Manager/ Malaysian	-	-	-	150,000	*	-

Notes:

- * Less than 0.1%
- (1) Based on the share capital of 644,238,002 Shares after Acquisition
- (2) Based on the enlarged share capital of 805,298,002 Shares after IPO
- (3) Assuming that our key senior management will fully subscribe for their respective entitlements under the Pink Form Allocations

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

5.3.3 Profiles of key senior management

Save for the profile of our Managing Director, which is disclosed in Section 5.2.2, the profiles of the other key senior management of our Group are as follows:

Ng Mih Fern, a Malaysian aged 40, is our Financial Controller. She is responsible for planning, implementing and controlling all financial and accounting related activities of our Group. She is also involved in overseeing the financial preparation process and issuance of financial information, developing our annual budget, preparing financial projections and implementing internal control policies.

She graduated with a Bachelor of Accounting from Multimedia University, Malaysia in 2003. She has been a registered chartered accountant with the Malaysian Institute of Accountants since 2010 and also a Fellow Member of ACCA since 2013.

In 2003, she began her career in P.S. Tan & Co, a company involved in the provision of accounting, auditing and taxation advisory services, as an Audit Assistant where she assisted in carrying out audit assignments involving reviewing and evaluating the accuracy of financial reports of her clients.

In 2006, she joined Horwath (Melaka office) (now known as Crowe Malaysia PLT), a company involved in the provision of accounting, auditing and taxation advisory services, as an Audit Assistant where she was responsible for carrying out the planning and execution of audit assignments and implementation of audit strategies.

In 2010, she left as a Senior Associate and joined Kotak Malaysia (KOM) Sdn Bhd, a manufacturer of paper carton packaging products, as an Accountant where she was subsequently promoted to Assistant Finance Manager in 2013 and to Finance Manager in 2018. As Finance Manager, she was responsible for overseeing the preparation, review and analysis of monthly financial statements, developing annual budgets and review of internal control policies. She was also responsible for the preparation of statutory and management reports, analysis of the business and financial trends for presentation to the management for business decisions.

In 2018, she joined our Group and assumed her current role as our Financial Controller.

Tong Siok Meng, a Malaysian aged 45, is our Head of Marketing. She is responsible for leading and overseeing the sales and marketing activities for our Group to promote the sales of our properties to prospective buyers, and to build and foster relationships with property sales agencies. She is involved in developing sales and marketing strategies and plans for our property development projects, planning and developing market intelligence strategies to keep abreast with consumer purchasing trends and competitive landscape, building strategic relationships with property sales agencies and identifying new sales and marketing channels.

Upon graduation from high school in 1994, she continued with her part time education by taking the London Chamber of Commerce and Industry ("LCCI") International Qualifications where she obtained a Certificate in Third Level Accounting and Business Statistics in 1998.

In 1995, she began her career in Tong Yeng Realty Sdn Bhd, a company involved in property development, as a Sales, Administration and Accounting Executive where she was responsible for assisting in the preparation of sales and marketing materials, execution of sales, tracking of progressive billings and payments, handovers of properties and provision of after-sales services.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 2000, she joined Seyhuat Sdn Bhd, a company involved in property development, as a Sales and Administration Executive where she focused on executing sales including handling enquiries from potential buyers about property development projects and closure of sales of properties.

In 2003, she joined Teladan Setia as a Sales Officer where she was responsible for the execution of sales of our properties. In 2008, she was promoted to Senior Sales Executive where she was responsible for leading a team of sales officers in planning and selling of our properties. In 2009, she was promoted to Assistant Marketing Manager where she was responsible for assisting in developing sales and marketing strategies for our property development projects and submission of new applications and renewals of APDL.

In 2011, she assumed her current role as our Head of Marketing.

Goh Fong Kim, a Malaysian aged 53, is our Accounts Manager. She is responsible for monitoring the preparation, reviewing and analysing financial statements, assisting in preparation of annual budgets and financial projections as well as executing internal control policies.

She obtained a Systematic Diploma in Business Studies from Systematic Business Training Centre, Malaysia and a Third Level Group Diploma in Cost Accounting from LCCI in 1991.

Prior to that, in 1987, she began her career with Syarikat Kojaya, a company involved in the trading of stationery, as a General Clerk where she was responsible for general office duties which include attending to telephone enquiries, filing of documentation, issuing sales invoices as well as assisting in preparation of accounts receivables. In 1989, she joined Pok Brothers Sdn Bhd as an Accounts Clerk where she was responsible for providing clerical support to the accounting department.

In 1990, she joined Bright Compu Typesetting Centre, a company involved in the provision of typesetting services, as an Accounts Clerk where she was responsible for maintaining the general ledger and preparing accounting reports. In 1994, she joined Binanusa Sdn Bhd, a company involved in property development, as an Accounts Assistant where she was responsible for accounts administrative matters. In 1995, she joined MBf Property Services Sdn Bhd, a company involved in the provision of property management and consultancy services, as an Accounts Officer. In 1997, she became the Acting Accounts Executive, and subsequently in 1998, she was transferred to MBf Country Homes & Resorts Sdn Bhd, a company involved in property development. In 2000, she joined Olympic Cable Company Sdn Bhd, a manufacturer of power cables, as an Accounts Executive and subsequently left the company to join Embun Tuah Sdn Bhd, a company involved in the provision of construction services, as an Accounts Executive in 2005.

In 2011, she joined our Group as an Accounts Executive where she was responsible for preparing monthly financial statements, assisting in the preparation of annual budgets.

In 2015, she assumed her current role as our Accounts Manager.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3.4 Principal business performed outside our group

Save as disclosed below, none of our key senior management has any other principal directorship, shareholding and/or principal business activities performed outside our Group as at LPD:

(i) Ng Mih Fern

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement SP Cahaya Industries Sdn Bhd	Provision of engineering supply, design and consulting services	Director	8 December 2017	-	50.0	-

The involvement of our key senior management in those business activities outside our Group does not give rise to any conflict of interest situation with our business. Their involvement in those business activities does not require significant amount of time, and hence does not affect their ability to perform their executive roles and responsibilities to our Group.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3.5 Key senior management remuneration and benefits

The remuneration of our key senior management including, salaries, bonuses, incentives, other emoluments and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board.

Details of the remuneration and benefits paid and proposed to be paid to Teo Lay Ban are set out in Section 5.2.4. The aggregate remuneration and benefits-in-kind (in bands of RM50,000) paid and proposed to be paid to our other key senior management for services rendered in all capacities to our Group for FYE 2020 and 2021 are as follows:

	(1)Remuneration	Benefits-in-kind	Total
	RM'000		
FYE 2020			
Ng Mih Fern	200 – 250	-	200 – 250
Tong Siok Meng	300 – 350	-	300 – 350
Goh Fong Kim	250 – 300	-	250 – 300
Proposed for FYE 2021			
Ng Mih Fern	200 – 250	-	200 – 250
Tong Siok Meng	400 – 450	-	400 – 450
Goh Fong Kim	300 – 350	-	300 – 350

Note:

- (1) The remuneration for key senior management includes salaries, bonuses, allowances, incentives and other emoluments

Apart from the Pink Form Allocations, there is no profit-sharing plan or share options participated by our key senior management.

Additionally, for avoidance of doubt, Wan Lei Chin, one of our Promoters, is not a staff member of the Group and there is no remuneration, benefits, profit sharing plans or share options to Wan Lei Chin.

5.4 BOARD PRACTICE

5.4.1 Board

Our Board has adopted the following responsibilities for effective discharge of its functions:

- (i) To effectively promote the best interests of our Company with a view to add long-term value to our Company's shares, shareholders and stakeholders;
- (ii) To enable the Board to discharge its responsibilities in meeting our Company goals, the Board should, among others:
 - Together with management, promote good corporate governance culture within our Group which reinforces ethical, prudent and professional behaviour;
 - Review, challenge and decide on management's proposals for our Company and monitor its implementation by management;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

- Consider management's recommendations on key issues including acquisitions, disposals and restructuring, investment and divestitures, funding and significant capital expenditure;
 - Monitor the progress of our Company's strategies, plans and policies, and to revise and alter its direction through management in light of changing circumstances;
 - Oversee the conduct of our Company's business to evaluate whether the business is being properly managed;
 - Approve annual capital and operating budget which support our Group ability to meet its strategic objectives;
 - Approve and ratify capital expenditure exceeding a certain threshold to be determined by our Board from time-to-time;
 - Ensure the integrity of our Company's financial and non-financial reporting;
 - Ensure there is a sound framework for internal controls and risk management;
 - Identify and understand the principal risks of our Group's business and recognise that business decisions involve the taking of appropriate risks;
 - Set the risk appetite within which our Board expects management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
 - Ensure that senior management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of our Board and senior management;
 - Evaluate the performance and succession planning of the Managing/Executive Director(s) from time to time;
 - Ensure that our Company has in place procedures to enable effective communication with stakeholders;
 - Review and approve the Directors' fees or other benefits payable to the Non-Executive Directors and remuneration package of the Managing/Executive Director(s) and senior management;
 - Evaluate the composition, processes and performance of our Board and board committees; and
 - Perform such other functions as prescribed under the applicable laws and/or regulations.
- (iii) The Board will oversee the business and affairs of our Company including, in particular:
- Reviewing and adopting a strategic plan for our Company, including its goals and ensuring that the strategic plan of our Company supports long-term value creation and includes strategies on economic, environment and social considerations underpinning sustainability;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- Establishing policies for strengthening the performance of our Company including ensuring that management is proactively seeking to build the business through innovation, initiative, technology, new products and the development of its business capital;
- Identifying principal risks, set the risk appetite within which our Board expects the management to operate and ensuring the implementation of appropriate systems to manage the significant financial and non-financial risks and ensuring there is a sound framework for internal controls and risk management;
- Reviewing the adequacy and the integrity of our Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- Deciding on whatever steps are necessary to protect our Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- Ensuring that our Company's financial statements are true and fair and conform with any applicable laws and/or regulations; and
- Ensuring that our Company adheres to high standards of ethics and corporate behaviour.

In accordance with our Constitution, an election of Directors shall take place each year at the annual general meeting of our Company, where one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office and be eligible for re-election. This is provided always that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Name	Date of appointment as Director	Date of expiration of the current term in office	Approximate no. of months in office as at LPD
Roy Thean Chong Yew	20 February 2020	Subject to retirement by rotation at our third annual general meeting	11
Teo Lay Ban	10 October 2019	Subject to retirement by rotation at our second annual general meeting	15
Sia Ah Piew	20 February 2020	Subject to retirement by rotation at our third annual general meeting	11
Teo Lay Lee	20 February 2020	Subject to retirement by rotation at our third annual general meeting	11
Teo Siew May	20 February 2020	Subject to retirement by rotation at our third annual general meeting	11
Annandan Chandran	A/L 10 October 2019	Subject to retirement by rotation at our second annual general meeting	15

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Name	Date of appointment as Director	Date of expiration of the current term in office	Approximate no. of months in office as at LPD
Madeline Lee May Ming	10 October 2019	Subject to retirement by rotation at our third annual general meeting	15
Foo Yit Lan	10 October 2019	Subject to retirement by rotation at our second annual general meeting	15

All our Directors have served between 11 to 15 months as at LPD. At every annual general meeting, one-third of our Directors at that time, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office and be eligible for re-election.

The members of our Board are set out in Section 5.2.

5.4.2 Audit Committee

The main function of our Audit Committee is to assist our Board in fulfilling its responsibility to oversee our Group's accounting and financial reporting matters. The terms of reference of our Audit Committee include the following:

- (i) To consider and recommend the appointment and re-appointment of the external auditors, the audit fee and any question of resignation or dismissal, including review of any letter of resignation of the external auditors and whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;
- (ii) To establish and recommend policies governing the circumstances under which contracts for the provision of non-audit services can be entered into and procedures that must be followed by the external auditors;
- (iii) To discuss with the external auditors before the audit commences, the audit plan, particularly the nature and scope of the audit, and ensure co-ordination where more than 1 audit firm is involved;
- (iv) To review with the external auditors the evaluation of the system of internal controls and the audit report;
- (v) To review the quarterly and year-end financial statements of our Group before recommendation to the Board, focusing particularly on:
 - Any change or implementation of major accounting policies and practices.
 - Significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed.
 - Compliance with accounting standards and other legal requirements.
- (vi) To discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss (in the absence of management, where necessary);
- (vii) To review the external auditors' management letter and management's response;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (viii) To review the assistance given by our Company's management to the external auditors;
- (ix) To assess the suitability, objectivity and independence of our Company's external auditors;
- (x) To do the following, in relation to the internal audit function:
- Consider and approve the appointment of the internal auditors, the internal audit fee and any question of resignation or dismissal.
 - Review the adequacy of the scope, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work.
 - Review the internal audit plan and results of the internal audit assessments and investigation undertaken, and ensure that appropriate action is taken on the recommendations of the internal auditors.
 - Consider the internal audit reports and findings by the internal auditors, fraud investigations and actions and steps taken by the management in response to audit findings.
 - Review and decide on the budget allocated to the internal audit function.
 - Appraise or assess the performance of members of the internal audit function.
 - Monitor the overall performance of our Company's internal audit function.
- (xi) To consider any related party transactions and conflict of interest situation that may arise within our Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (xii) To monitor the integrity of our Company's financial statements and ensure the financial statements are prepared in accordance to the applicable financial reporting standards;
- (xiii) To report its findings on the financial and management performance and other material matters to our Board;
- (xiv) To consider the major findings of internal investigations and management's response;
- (xv) To verify the allocation of Employees' Share Option Scheme ("**ESOS**") in compliance with the criteria as stipulated in the by-laws of ESOS of our Company, if any;
- (xvi) To monitor our Company's compliance with relevant laws, regulations and code of conduct;
- (xvii) To review the adequacy and effectiveness of risk management, internal control and governance systems;
- (xviii) To consider and examine such other matters as the Audit Committee considers appropriate; and
- (xix) To consider other relevant matters as delegated by our Board.

The recommendations of our Audit Committee are subject to the approval of our Board.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

The members of our Audit Committee as at LPD are as follows:

Name	Designation	Directorship
Foo Yit Lan	Chairwoman	Independent Non-Executive Director
Annandan A/L Chandran	Member	Independent Non-Executive Director
Madeline Lee May Ming	Member	Independent Non-Executive Director
Roy Thean Chong Yew	Member	Independent Non-Executive Chairman

Our Board will review the composition, performance and effectiveness of our Audit Committee annually.

5.4.3 Remuneration Committee

The main function of our Remuneration Committee is to assist our Board in fulfilling its responsibility on matters relating to our Group's compensation, bonuses, incentives and benefits. The terms of reference of our Remuneration Committee include the following:

- (i) To formulate and periodically review policies and procedures to determine the remuneration of Directors and senior management, which takes into account the demands, complexities and performance of our Company as well as skills and experience required of Directors and senior management, having regard also to comparable market statistics;
- (ii) To review and recommend the remuneration packages of all the Directors and senior management in all forms, with or without independent professional advice or other outside advice to reflect the Board's responsibilities, the Director's expertise and the complexities of our Company's activities;
- (iii) To ensure the levels of remuneration be sufficiently attractive and be able to retain Directors needed to run our Company successfully;
- (iv) To structure the component parts of remuneration so as to align with the business strategy and long-term objectives of our Company and to link rewards to our Company's strategy and performance;
- (v) To ensure that the remuneration and incentives for Independent Non-Executive Directors do not conflict with their obligations to bring objective and independent judgement to our Board;
- (vi) To develop and administer a fair and transparent procedure for setting policy on remuneration;
- (vii) To ensure that remuneration packages are proposed on the basis of the Directors' merit, qualification and competence, having regard to our Company's operating results, individual performance and comparable market statistics;
- (viii) To act in line with the directions of our Board;
- (ix) To consider and examine such other matters as the Remuneration Committee considers appropriate; and
- (x) To consider any other relevant matters as delegated by our Board.

The recommendations of our Remuneration Committee are subject to the approval of our Board.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

The members of our Remuneration Committee as at LPD are as follows:

Name	Designation	Directorship
Annandan A/L Chandran	Chairman	Independent Non-Executive Director
Foo Yit Lan	Member	Independent Non-Executive Director
Madeline Lee May Ming	Member	Independent Non-Executive Director
Roy Thean Chong Yew	Member	Independent Non-Executive Chairman

5.4.4 Nominating Committee

The terms of reference of our Nominating Committee include the following:

- (i) To formulate and review the policy on Board composition having regard to the mix of skills, independence and diversity (including gender diversity) required to meet the needs of our Company;
- (ii) To source, identify, review and recommend candidates for appointment to the Board and board committees, which is led by the Chairwoman of the Nominating Committee, taking into consideration the optimum and effective size of the Board and the candidates':
 - Character, competency, knowledge and experience;
 - Professionalism;
 - Integrity and credibility;
 - Time commitment, particularly his number of other directorships; and
 - In the case of the candidates for the position of Independent Non-Executive Directors, the Nominating Committee would also evaluate the candidates' ability to discharge such responsibilities or functions as expected from Independent Non-Executive Directors.
- (iii) To review and recommend the candidate for appointment as Managing Director and Executive Directors, taking into consideration the candidates':
 - Character, competency, knowledge and experience;
 - Professionalism; and
 - Integrity and credibility.
- (iv) To recommend the re-election of Directors who are due to retire in accordance with our Constitution;
- (v) To assess the independence of Independent Directors annually;
- (vi) To consider, in making its recommendations, candidates for directorships and, within the bounds of practicability, by any other senior executive or any Director or major shareholder and to take steps to ensure that women candidates are sought as part of its recruitment exercise;
- (vii) To establish and review the performance criteria to evaluate the performance of our Board, board committees and each individual Director;
- (viii) To recommend to the Board the nominees to fill the seats on board committees;
- (ix) To assess the effectiveness of the Board and the committees of the Board as a whole and each individual Director of the Board. All assessments and evaluations carried out by the Nominating Committee in the discharge of all its functions would be properly documented;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (x) To ensure that orientation and education programmes are provided for new members of the Board and to review the Directors' continuing education programmes for existing members of the Board;
- (xi) To review the terms of office and performance of the Audit Committee and each of its members annually to determine whether such Audit Committee and its members have carried out their duties in accordance with the terms of reference;
- (xii) To formulate and review the nomination, selection and succession policies and plans for members of the Board, board committees and senior management;
- (xiii) To act in line with the directions of the Board;
- (xiv) To consider and examine such other matters as the Nominating Committee considers appropriate;
- (xv) To assist our Board to assess and evaluate circumstances where a Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's business, upon receiving declaration of the same from our Director and thereafter, to inform our Audit Committee of the same. After deliberation with our Audit Committee, to recommend to our Board the necessary actions to be taken in circumstances where there is a conflict of interest;
- (xvi) To consider any other relevant matters as delegated by our Board; and

The recommendations of our Nominating Committee are subject to the approval of our Board.

The members of our Nominating Committee as at LPD are as follows:

Name	Designation	Directorship
Madeline Lee May Ming	Chairwoman	Independent Non-Executive Director
Annandan A/L Chandran	Member	Independent Non-Executive Director
Foo Yit Lan	Member	Independent Non-Executive Director
Roy Thean Chong Yew	Member	Independent Non-Executive Chairman

5.4.5 Risk Management Committee

Our Board has the overall responsibility for risk oversight and risk management within our Group. However, as a committee of our Board, our Risk Management Committee shall lead our strategic direction in the management of our business risks, including oversight on the establishment and implementation of a risk management framework and reviewing the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.

The Risk Management Committee is to be assisted by the Risk Management Working Group to perform duties as necessary to support them in discharging its functions and duties including but not limited to provide and report risk profile and related information to the Risk Management Committee, and to coordinate the implementation of policy directives and instructions within our Group with the management.

The Risk Management Working Group will be led by the Managing Director and supported by the delegated/appointed members from the management team covering all divisions and relevant departments.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

The objectives of the framework are to ensure the provision of quality products and services and monitor the risk culture and processes throughout our Group to take advantage of opportunities while managing risks that may adversely affect our reputation and achievement of business objectives.

The duties and responsibilities as stated in the terms of reference of our Risk Management Committee and Risk Management Working Group include the following:

Risk Management Committee

- (i) To review existing controls as reported by the Risk Management Working Group that may reduce the key risk factors of our Company;
- (ii) To review and recommend risk management strategies, policies and risk indicators and tolerance, and any proposed changes thereto for the Board's approval;
- (iii) To review and assess the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively;
- (iv) To ensure adequate infrastructure, resources and systems are in place for an effective risk management i.e., ensuring that the staff responsible for implementing risk management systems perform those duties independently of our Company's operations;
- (v) To review the Risk Management Working Group's periodic reports on risk exposure, risk portfolio composition and risk management activities; and
- (vi) To seek appropriate support from the Risk Management Working Group, together with advice and input from the management as deemed appropriate.

Risk Management Working Group

- (i) To review the entire risk management processes and procedures and adequacy and effectiveness on the risk management framework, and provide feedback to the Risk Management Committee on quarterly basis or as and when necessary;
- (ii) To recommend the procedures and reporting format on the risk management process;
- (iii) To prepare the risk profile and risk progress report on risk management of our Group and presenting them to the Risk Management Committee for discussion;
- (iv) To prepare and recommend the risk management framework;
- (v) To undertake regular "gap analysis" in order to identify gaps in internal controls; and
- (vi) To commission, where necessary, special projects to investigate, develop or report on special aspects of the risk management processes of our Group.

The recommendations of our Risk Management Committee are subject to the approval of our Board.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

The members of our Risk Management Committee as at LPD are as follows:

Name	Designation	Directorship
Foo Yit Lan	Chairwoman	Independent Non-Executive Director
Annandan A/L Chandran	Member	Independent Non-Executive Director
Madeline Lee May Ming	Member	Independent Non-Executive Director
Roy Thean Chong Yew	Member	Independent Non-Executive Chairman
Teo Lay Ban	Member	Managing Director

5.5 RELATIONSHIPS AND/OR ASSOCIATIONS

Wan Lei Chin (our Promoter and substantial shareholder) is the mother of Teo Lay Ban (our Promoter, substantial shareholder and Managing Director), Teo Lay Lee and Teo Siew May (our Promoter, substantial shareholder and Non-Independent Non-Executive Director).

Save as disclosed above, there are no family relationships (as defined under Section 197 of the Act) or association between or amongst our Promoters, substantial shareholders, Directors and key senior management as at LPD.

5.6 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at LPD, there is no existing or proposed service agreement (contracts for services) entered into between the companies within our Group, with our Directors or key senior management.

5.7 DECLARATION FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at LPD, none of our Promoters, Directors or key senior management is or has been involved in any of the following events (whether within or outside Malaysia):

- (i) In the last 10 years, a petition under any bankruptcy or insolvency law filed (and not struck out) against him or any partnership in which he was a partner or any corporation of which he was a Director or a member of key senior management;
- (ii) Disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) In the last 10 years, charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) In the last 10 years, any judgment that was entered against him, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) In the last 10 years, was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (vi) Being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

- (vii) In the last 10 years, reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (viii) Has any unsatisfied judgment against him.

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6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON TSG

Our Company was incorporated in Malaysia under the Act on 14 February 2019 as a public limited company under our present name.

Our Company is principally an investment holding company. There has been no material change in the manner in which we conduct our business or activities since our incorporation and up to LPD.

Please refer to Section 7.1 for detailed information of our Group's history.

As at LPD, our share capital is RM322,119,002 comprising 644,238,002 Shares, all of which have been issued and fully paid-up. The movements in our share capital since the date of our incorporation are set out below:

<u>Date of allotment</u>	<u>No. of Shares allotted</u>	<u>Consideration/ Types of issue</u>	<u>Cumulative share capital</u> RM
14 February 2019	2	RM2/ Subscribers' shares	2
5 January 2021	644,238,000	RM322,119,000/ Consideration for the Acquisition	322,119,002

As at LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our enlarged share capital will increase to RM399,427,802 comprising 805,298,002 Shares.

6.2 DETAILS OF OUR ACQUISITION

On 24 February 2020, we entered into a conditional share sale agreement with the Vendors to acquire the entire equity interest in Teladan Setia comprising 3,750,000 ordinary shares for a total purchase consideration of RM322,119,000. The purchase consideration for the Acquisition was satisfied by the issuance of 644,238,000 new Shares to the Vendors at an issue price of RM0.50 each.

Details of the Vendors and number of Shares issued to them under the Acquisition are as follows:

<u>Vendors</u>	<u>Shareholdings in Teladan Setia</u>		<u>Purchase consideration</u> RM	<u>No. of Shares issued</u>
	<u>No. of shares acquired</u>	<u>% of share capital</u>		
Teo Lay Ban	1,950,000	52.0	167,501,880	335,003,760
Teo Lay Lee	600,000	16.0	51,539,040	103,078,080
Teo Siew May	600,000	16.0	51,539,040	103,078,080
Wan Lei Chin	600,000	16.0	51,539,040	103,078,080
	3,750,000	100.0	322,119,000	644,238,000

The purchase consideration for the Acquisition was arrived based on a willing-buyer willing-seller basis after taking into consideration the audited NA of Teladan Setia Group as at 30 June 2019 of RM322,119,234.

6. INFORMATION ON OUR GROUP (Cont'd)

The Acquisition was completed on 5 January 2021. Thereafter, Teladan Setia became our wholly-owned subsidiary.

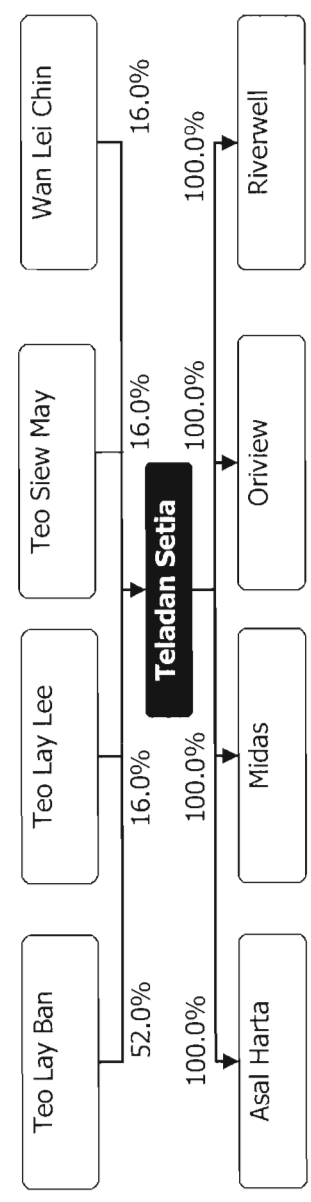
The new Shares issued under the Acquisition rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of allotment of the new Shares.

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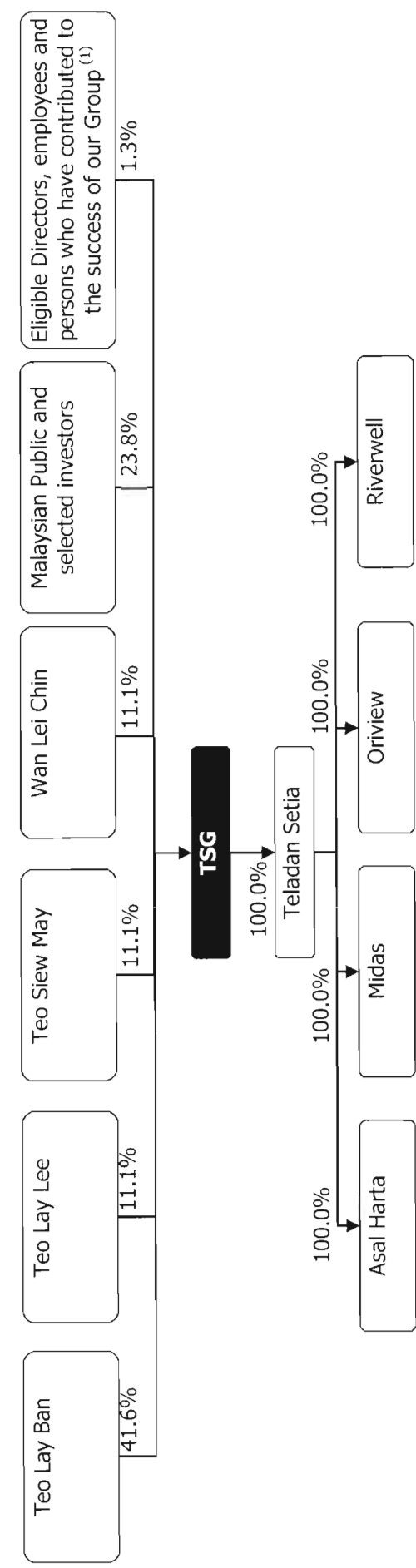
6. INFORMATION ON OUR GROUP (Cont'd)

6.3 GROUP STRUCTURE

Before Acquisition, Public Issue and Offer for Sale



After Acquisition, Public Issue and Offer for Sale



Note:

(1) Assuming that all our eligible Directors, employees and persons who have contributed to the success of our Group will subscribe for the Pink Form Allocations

6. INFORMATION ON OUR GROUP (Cont'd)

6.4 SUBSIDIARIES AND ASSOCIATED COMPANIES

As at LPD, we do not have any associated companies. Details of our subsidiaries as at LPD are summarised as follows:

Company	Date/ Place of incorporation	Principal place of business	Issued share capital	Effective equity interest	Principal activities
			RM	%	
Teladan Setia (199301006710 (261447-A))	13 April 1993/ Malaysia	Malaysia	3,750,000	100.0	Property development ⁽¹⁾
Held through Teladan Setia					
Asal Harta (199301026940 (281678-D))	16 November 1993/ Malaysia	Malaysia	250,000	100.0	Property development ⁽²⁾
Midas (201101004289 (932430-T))	11 February 2011/ Malaysia	Malaysia	1,000,000	100.0	Property development ⁽³⁾
Oriview (199701014645 (430141-A))	5 May 1997/ Malaysia	Malaysia	300,000	100.0	Property development ⁽⁴⁾
Riverwell (200001009453 (512059-D))	21 April 2000/ Malaysia	Malaysia	1,000,000	100.0	Property development ⁽⁵⁾

Notes:

- (1) Teladan Setia has undertaken all other development projects not specifically developed under by its subsidiaries in Notes (2) to (5) below
- (2) Project development undertaken by Asal Harta are Bandar Baru Merlimau, Bali Residences and Atlantis Residences
- (3) Project development undertaken by Midas is Taman Bertam Putra (Phase 1)
- (4) Project development undertaken by Oriview are Taman Seri Jati and Taman Cheng Setia (part of Phase 3A)
- (5) Project development undertaken by Riverwell are The Tropicana Residences and Taman Bukit Larang Indah

6. INFORMATION ON OUR GROUP (Cont'd)

We do not particularly segregate our business operations on any basis, but we continue to operate through our subsidiaries to maintain their track record of property developments.

Details of the share capital of our subsidiaries are set out in Section 16.2.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.5 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) entered into by our Group for FYE 2017 to 2019, FPE 2020 and up to LPD:

- (i) Sale and purchase agreement dated 2 December 2016 entered into between Teladan Setia and Chip Lee Corporation Sdn Bhd in respect of Teladan Setia's acquisition of freehold land measuring 14.0 acres held under Geran 22813 Lot 1137, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka for a total cash consideration of RM4.9 million. This transaction was completed on 31 July 2017;
- (ii) Sale and purchase agreement dated 9 January 2017 entered into between Teladan Setia and Mines Resort Sdn Bhd in respect of Teladan Setia's acquisition of leasehold land measuring 1.3 acres (expiring on 20 March 2091) held under HS(D) 242005 PT 719 (now known as HS(D) 316625 PT 1259), in the Pekan Baru Sungai Besi, District of Petaling, State of Selangor for a total cash consideration of RM22.0 million. This transaction was completed on 3 August 2017;
- (iii) Sale and purchase agreement dated 9 January 2017 entered into between Teladan Setia and Floral Fresh Sdn Bhd in respect of Teladan Setia's acquisition of leasehold land measuring 3.6 acres (expiring on 28 May 2102) held under HS(D) 185534 PT 383 (now known as PN 114690 Lot 2030), in the Pekan Baru Sungai Besi, District of Petaling, State of Selangor for a total cash consideration of RM48.0 million. This transaction was completed on 3 August 2017;
- (iv) Sale and purchase agreement dated 18 September 2018 entered into between Teladan Setia and Chop Cheong Bee Sdn Bhd in respect of Teladan Setia's acquisition of freehold land measuring 166.3 acres held under Geran 6772 Lot 53, in the Mukim Tanjong Minyak, District of Melaka Tengah, State of Melaka for a total cash consideration of RM86.9 million. This transaction was completed on 14 March 2019;
- (v) Sale and purchase agreement dated 13 September 2019 entered into between Oriview and Plus Realty Sdn Bhd in respect of Oriview's acquisition of leasehold land measuring 10.6 acres (expiring on 20 November 2115) held under HS(D) 81825 PT 217 and HS(D) 81826 PT 218, both in the Kawasan Bandar XLIV, District of Melaka Tengah, State of Melaka for a total cash consideration of RM23.6 million. This transaction was terminated on 16 April 2020, and the earnest deposit of RM2.4 million paid by Oriview was subsequently forfeited. This forfeiture has been recorded as a non-recurring loss to our Group for FPE 2020.

Nonetheless, the termination does not affect our Group's existing and future projects, and will not have a significant impact on the sustainability of our revenue and profits moving forward apart from the forfeiture of the deposit;

- (vi) Letter of guarantee dated 13 September 2019 by Leaw Tua Choon and Leaw Yongene in favour of Oriview, to guarantee the due performance of Plus Realty Sdn Bhd's obligations under the sale and purchase agreement stated in paragraph (v) above, to cause to construct and/or to be constructed and to surrender and/or be surrendered the road access from the main road leading and serving the properties purchased by Oriview pursuant to the sale and purchase agreement stated in paragraph (v) above. The letter of guarantee has ceased to have effect following the termination of the sale and purchase agreement stated in paragraph (v) above;

6. INFORMATION ON OUR GROUP (Cont'd)

- (vii) Offer to purchase dated 14 October 2019 made by Teladan Setia and accepted by Ooi Poh Yean and Tan Yan Peng on 18 October 2019 and 21 October 2019 respectively, in respect of Teladan Setia's proposed acquisition of freehold land measuring 11.5 acres held under Geran 6720 Lot 34, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka for a total cash consideration of RM4.0 million. The parties have entered into a sale and purchase agreement on 21 May 2020 and the transaction was completed on 10 November 2020;
- (viii) Offer to purchase dated 14 October 2019 made by Teladan Setia and accepted by Ng Kim Hong, Ng Kim Yoke, Sze Lai Choo and Tung Wai Chun on 24 October 2019, in respect of Teladan Setia's proposed acquisition of freehold land measuring 5.5 acres held under GM 150 Lot 37, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka for a total cash consideration of RM1.9 million. The parties have entered into a sale and purchase agreement on 21 May 2020 and the transaction was completed on 10 November 2020;
- (ix) Offer to purchase dated 14 October 2019 made by Teladan Setia and accepted by Wan Chun Hung on 24 October 2019, in respect of Teladan Setia's proposed acquisition of freehold land measuring 14.9 acres held under Geran 12906 Lot 39, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka for a total cash consideration of RM5.2 million. The parties have entered into a sale and purchase agreement on 21 May 2020 and the transaction was completed on 10 November 2020;
- (x) Offer to purchase dated 14 October 2019 made by Teladan Setia and accepted by Chye Ao Hsiang and Chye Pang Hsiang on 26 October 2019, in respect of Teladan Setia's proposed acquisition of freehold land held measuring 5.8 acres under GM 151 Lot 40, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka for a total cash consideration of RM2.0 million. The parties have entered into a sale and purchase agreement on 21 May 2020 and the transaction was completed on 10 November 2020;
- (xi) Share transfer form dated 29 December 2017 between Teladan Setia and Teo Lay Ban for the acquisition by Teladan Setia of the remaining 2.5% equity interest (25,000 ordinary shares) in Riverwell for a consideration of RM500,000, which was completed on even date;
- (xii) Share transfer forms dated 21 February 2017 between Teladan Setia and Lim Boon Huay and Yap Kian Mun for the acquisition by Teladan Setia of the entire equity interest (2 ordinary shares) in Midwest, for a total cash consideration of RM2, which was completed on even date. Midwest has since been struck off under Section 551 of the Act; please refer to Section 6.11.2 for further details;
- (xiii) Share transfer form dated 27 March 2017 between Teladan Setia and Yap Kian Mun for the acquisition by Teladan Setia of the entire equity interest (1 ordinary share) in Widenote, for a total cash consideration of RM1, which was completed on even date;
- (xiv) Share transfer form dated 31 December 2018 between Teladan Setia and Teo Lay Ban for the disposal by Teladan Setia of the entire equity interest (1 ordinary share) in Widenote for a total cash consideration of RM1, which was completed on even date;

6. INFORMATION ON OUR GROUP (Cont'd)

- (xv) Share transfer form dated 16 October 2017 between Teladan Setia and Yap Kian Mun for the acquisition by Teladan Setia of the entire equity interest (1 ordinary share) in Hartamas Selesa Sdn Bhd, for a total cash consideration of RM1, which was completed on even date;
- (xvi) Share transfer form dated 16 May 2018 between Teladan Setia and Tang Joo Shen for the disposal by Teladan Setia of the entire equity interest (1 ordinary share) in Hartamas Selesa Sdn Bhd, for a total cash consideration of RM1, which was completed on even date;
- (xvii) Letter of undertaking and first right of refusal dated 1 October 2019 granted by Polywell Enterprise, the late Datuk Teo Poh Boon and Datin Wan Lei Chin (being the shareholders of Polywell Enterprise) in favour of Teladan Setia, supplemental letter of undertaking and first right of refusal dated 20 April 2020 and letter of confirmation dated 20 April 2020 whereby for a consideration of RM1, Polywell Enterprise had granted our Group the first right of refusal to purchase any land held by Polywell Enterprise, present or future and the late Datuk Teo Poh Boon and Datin Wan Lei Chin had granted our Group the first right of refusal to purchase all shares in Polywell Enterprise. Such undertaking and first right of refusal are binding on the successors, permitted assigns, heirs and estates of the late Datuk Teo Poh Boon;
- (xviii) Letter of undertaking and first right of refusal dated 1 October 2019 granted by Polywell Development and Polywell Enterprise (being the shareholder of Polywell Development) in favour of Teladan Setia, supplemental letter of undertaking and first right of refusal dated 20 April 2020 and letter of confirmation dated 20 April 2020 whereby for a consideration of RM1, Polywell Development had granted our Group the first right of refusal to purchase any land held by Polywell Development, present or future and Polywell Enterprise had granted our Group the first right of refusal to purchase all shares in Polywell Development;
- (xix) Letter of undertaking and first right of refusal dated 1 October 2019 granted by Indra, Polywell Enterprise and the late Datuk Teo Poh Boon (being the shareholders of Indra) in favour of Teladan Setia, supplemental letter of undertaking and first right of refusal dated 20 April 2020 and letter of confirmation dated 20 April 2020 whereby for a consideration of RM1, Indra had granted our Group the first right of refusal to purchase any land held by Indra, present or future and Polywell Enterprise and the late Datuk Teo Poh Boon had granted our Group the first right of refusal to purchase all shares in Indra. Such undertaking and first right of refusal are binding on the successors, permitted assigns, heirs and estates of the late Datuk Teo Poh Boon;
- (xx) Letter of undertaking and first right of refusal dated 1 October 2019 granted by Polyintan and Polywell Enterprise (being the shareholder of Polyintan) in favour of Teladan Setia, supplemental letter of undertaking and first right of refusal dated 20 April 2020 and letter of confirmation dated 20 April 2020 whereby for a consideration of RM1, Polyintan had granted our Group the first right of refusal to purchase any land held by Polyintan, present or future and Polywell Enterprise had granted our Group the first right of refusal to purchase all shares in Polyintan;
- (xxi) Letter of undertaking dated 17 June 2020 by Polywell Enterprise in favour of our Company, whereby Polywell Enterprise undertakes not to purchase land or participate in any manner the development of any real estate, whether by Polywell Enterprise or through any of its present and future subsidiaries without our Company's prior written consent;

6. INFORMATION ON OUR GROUP (Cont'd)

- (xxii) Share sale agreement dated 23 December 2019 between our Company and the late Datuk Teo Poh Boon and Teo Lay Ban for the acquisition of Teladan Setia, which was revoked on 24 February 2020;
- (xxiii) Share sale agreement dated 24 February 2020 between our Company and Vendors for the Acquisition, which was completed on 5 January 2021;
- (xxiv) Sale and purchase agreement dated 7 October 2020 between Teladan Setia and Sukaraya Development Sdn Bhd for the purchase of a parcel of leasehold land (expiring on 14 August 2094) measuring 46.94 hectares held under PN 55269 Lot 14734, Mukim Ayer Panas, District of Jasin, State of Melaka for the purchase consideration of RM22,038,100. The transaction is expected to be completed by March 2021;
- (xxv) Sale and purchase agreement dated 19 November 2020 between Teladan Setia and Yap Kim Soon for the purchase of a parcel of freehold land measuring 5,913 square metres held under GM 25 Lot 13253, Mukim Pringgit, District of Melaka Tengah, State of Melaka for the purchase consideration of RM4,455,290. The transaction is expected to be completed by March 2021;
- (xxvi) Sale and purchase agreement dated 11 December 2020 between Oriview and Eng Development Co. Sdn Bhd for the purchase of 2 parcels of leasehold land (expiring on 11 June 2094) measuring 2,930 square metres and 7.301 hectares respectively, held under PN 56988 Lot 14560 and PN 56989 Lot 14561, both in the Mukim Telok Mas, District of Melaka Tengah, State of Melaka for the purchase consideration of RM15,500,000. The transaction is expected to be completed by June 2021;
- (xxvii) Share sale agreement dated 11 November 2020 (and supplemented on 4 January 2021) between our Company and Polywell Enterprise for the purchase by our Company of the entire equity interest in Polyintan for a cash consideration of RM1,825,954. The cash consideration is subject to adjustment in accordance with the market value of the properties owned by Polyintan upon obtaining the development order for development on the properties. The transaction is expected to be completed by the third quarter of 2021; and
- (xxviii) Underwriting agreement dated 23 December 2020 between our Company and M&A Securities for the underwriting of 50,734,000 Issue Shares for an underwriting commission of 3.0% of the IPO Price multiplied by the number of Issue Shares underwritten.

Further details of the letters of undertaking and first right of refusal as set out in (xvii) to (xx) above can be found in Section 11.1. Notwithstanding the passing of Datuk Teo Poh Boon, these letters of undertaking and first right of refusal remain valid as they are binding upon the successors, permitted assigns, heirs and estates of the late Datuk Teo Poh Boon, as per the terms thereof.

6.6 PUBLIC TAKE-OVERS

During the last financial year and the current financial year/period up to LPD, there were:

- (i) No public take-over offers by third parties in respect of our Shares; and
- (ii) No public take-over offers by our Company in respect of other companies' shares.

6. INFORMATION ON OUR GROUP (Cont'd)

6.7 MAJOR APPROVALS AND LICENCES


As at LPD, there are no other major approvals, major licences and permits issued to our Group in order for us to carry out our operations other than those disclosed in Appendix II of this Prospectus.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.8 TRADEMARKS

Our Group has applied for a number of our trademarks to be registered with the Intellectual Property Corporation of Malaysia. Details of our trademarks that we have applied to be registered are set out below:

Trademark	Applicant/ Application No./ Date of application	Class/ Description	Status/ Expiry Date
	Teladan Setia/ TM2019024626/ 8 July 2019	36/ Real estate services relating to the sale, purchase and leasing of real estate; leasing of real estate, property, buildings, offices, business centers, departmental stores, apartments, condominiums, houses, shopping malls, retail and wholesale outlets; consultation services relating to real estate; management of real estate; management of property; property sales services relating to property development; real estate services relating to property development; provision of information relating to property (real estate); real estate advisory services; real estate consultancy; rental of apartments, finished apartments, flats, houses, commercial premises and offices; real estate agencies; real estate affairs; real estate acquisition; real estate administration; real estate brokerage services; real estate valuation services; real estate appraisal services; real estate investment services; rent collection; provision of housing accommodation; investment services; property investments; capital investment; capital fund investment; International fund investment; administrative services relating to investments; management of investment funds; financial management; preparation of financial reports; information, advisory and consultancy services in relation to the aforesaid services.	Registered / 8 July 2029

6. INFORMATION ON OUR GROUP (Cont'd)

Trademark 	Applicant/ Application No./ Date of application Teladan Setia/ TM2019024628/ 8 July 2019	Class/ Description 37/ Real estate development (building and construction services); housing development (building and construction services); property development (building and construction services); building and construction services; building and construction services; building and construction of real estate subdivisions and developments; structural engineering services (construction); civil engineering services (construction); mechanical engineering services (construction); building cleaning; building construction; building demolition; building maintenance; building of commercial properties, industrial properties, residential properties, offices, business centres, retail and wholesale outlets, roads, schools; building project management; commercial retail property development services; construction inspection; construction, restoration, renovation, refurbishment, interior decorating, maintenance, repair and cleaning of real estate, residential, industrial and commercial properties, offices, business centres, departmental stores, shopping centres, retail and wholesale outlets, houses, condominiums; housing construction; project management services in respect of property development and property construction; project management work relating to building contracts; restoration of office and retail premises; building constructions supervision; building insulating; refurbishment of buildings; renovation of buildings; repair of buildings; installation, repair and maintenance services; development of land (construction); landscaping (construction), construction of complexes for recreational purposes; installation of doors and windows; painting, interior and exterior; road paving; roofing services; on-site building project management; on-site construction supervision; rental of construction equipment; quarrying services; advisory, consultancy and information services relating to all the aforesaid services.	Status/ Expiry Date Registered / 8 July 2029
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6. INFORMATION ON OUR GROUP (Cont'd)

6.9 LAND AND BUILDINGS

Details of the land and buildings owned and rented by our Group are set out in Appendix I of this Prospectus. None of the properties owned or rented by our Group are in breach of any land use conditions and/or are in non-compliance with current statutory requirements, land laws or building regulations/by-laws, which will have material adverse impact on our operations as at LPD.

Save for properties disclosed under page I-23 of Appendix I and the following properties, the acquisition of which is currently pending completion, we have not acquired other properties during FYE 2017 to 2019, FPE 2020 and up to LPD. Please refer to Section 6.5 in respect of the details of these acquisitions.

No.	Date of purchase	Title details	Description of property/ Existing use/ Tenure/ Category of land use	Land area acres	Purchase value RM'000
(i)	11 November 2020	PM 1100 Lot 10243, Mukim of Durian Tunggal, District of Alor Gajah, District of Melaka ⁽¹⁾	Vacant land/ Held for future development/ Leasehold of 99 years expiring on 2 August 2108 (87 years remaining as at LPD)/ Nil	0.2	
(ii)	11 November 2020	Geran 3540 Lot 2544, Mukim of Durian Tunggal, District of Alor Gajah, District of Melaka ⁽¹⁾	Vacant land/ Held for future development/ Freehold/ Nil	5.3	(¹)1,826
(iii)	11 November 2020	Geran 3541 Lot 2545, Mukim of Durian Tunggal, District of Alor Gajah, District of Melaka ⁽¹⁾	Vacant land/ Held for future development/ Freehold / Nil	5.0	

6. INFORMATION ON OUR GROUP (Cont'd)

(iv)	7 October 2020	PN 55269 Lot 14734, Mukim Ayer Panas, District of Jasin, State of Melaka	Vacant land/ Held for future development/ Leasehold of 99 years expiring on 14 August 2094 (73 years remaining as at LPD)/ Building	116.0	22,038
(v)	19 November 2020	GM 25 Lot 13253, Mukim Pringgit, District of Melaka Tengah, State of Melaka	Vacant land/ For our future corporate office/ Freehold/ Nil	1.5	4,455
(vi)	11 December 2020	PN 56988 Lot 14560, Mukim Telok Mas, District of Melaka Tengah, State of Melaka	Vacant land/ Held for future development/ Leasehold of 99 years expiring on 11 June 2094 (73 years remaining as at LPD)/ Building	0.7	598
(vii)	11 December 2020	PN 56989 Lot 14561, Mukim Telok Mas, District of Melaka Tengah, State of Melaka	Vacant land/ Held for future development/ Leasehold of 99 years expiring on 11 June 2094 (73 years remaining as at LPD)/ Building	18.1	14,902

Note:

- (1) Land owned by Polyintan, which will become a subsidiary of our Group upon acquisition of the entire issued shares in Polyintan being completed. Please refer to Section 10.2.3 (iv) for further details of our acquisition of Polyintan.

6. INFORMATION ON OUR GROUP (Cont'd)

6.10 REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES

(i) Local Government Act, 1976

Under the Local Government Act, 1976 ("**LGA 1976**"), the relevant local authority may exercise and perform within such area all or any powers and duties conferred on them under the LGA 1976 or by any by-laws, rules or regulations passed pursuant to the LGA 1976. The powers include the issuance of licences and the imposition of any conditions and restrictions (if any) on the licences as they deem fit.

We require a Business Premises Licence and Signage Licence to carry out our business activities at our business premises (i.e. our head office and sales galleries) and for displaying our company name on the outer wall of the business premises.

(ii) Town and Country Planning Act, 1976

Under the Town and Country Planning Act, 1976, we are required to obtain a development order/ planning permission prior to commencing, undertaking or carrying out our development projects.

(iii) Housing Development (Control and Licensing) Act, 1966

In respect of the housing development projects undertaken by us, we are required to obtain an APDL in respect of the development projects undertaken by us and we are subject to the provisions in and regulations as may be made by the MHLG pursuant to the Housing Development (Control and Licensing) Act, 1966.

(iv) Environment Quality Act, 1974

In respect of housing development covering an area of 50 hectares or more, we are required to submit an environment impact assessment report and to obtain approval from the Department of Environment.

Save for the above and as disclosed in Section 6.7, there are no regulatory requirements and/or environmental issues which may materially affect our Group's operations arising from the utilisation of our assets.

6.11 PLANT AND EQUIPMENT

6.11.1 Material plant and equipment

As at 30 September 2020, we do not own any material plant and equipment.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.11.2 Material capital expenditures and divestitures****(i) Material capital expenditures**

Save for the expenditures disclosed below, there were no other capital expenditures (including interests in other corporations) made by us for FYE 2017 to 2019, FPE 2020 and up to LPD:

Capital expenditures	At cost				1 October 2020 up to LPD RM'000
	FYE 2017	FYE 2018	FYE 2019	FPE 2020	
	RM'000	RM'000	RM'000	RM'000	
Investment in subsidiaries					
Riverwell	500	-	-	-	-
Properties, plant and equipment					
Leasehold buildings	-	(1)194	-	-	-
Site equipment	7	-	4	2	1
Office equipment	90	100	39	23	25
Renovation ⁽²⁾	526	726	8	1	-
Furniture and fittings	113	96	12	2	-
Motor vehicles	713	805	1,428	8	-
	1,949	1,921	1,492	36	26

Notes:

- (1) Relates to renovation of our office
- (2) Mainly relates to renovation of our sales galleries

The above capital expenditures were primarily financed by a combination of bank borrowings and internally generated funds.

(ii) Material capital divestitures

Save for the divestitures disclosed below, there were no other capital divestitures (including interests in other corporations) made by us for FYE 2017 to 2019, FPE 2020 and up to LPD:

Property, plant and equipment

Capital divestitures	At cost				1 October 2020 up to LPD RM'000
	FYE 2017	FYE 2018	FYE 2019	FPE 2020	
	RM'000	RM'000	RM'000	RM'000	
Disposal					
Freehold building	(1)400	-	-	-	-
Office equipment	-	2	-	-	-
Furniture and fittings	92	-	5	-	-
Motor vehicles	-	530	(3)1,121	(3)1,233	-
	492	532	1,126	1,233	-

6. INFORMATION ON OUR GROUP (Cont'd)

	At cost				1 October 2020 up to LPD RM'000
	FYE 2017 RM'000	FYE 2018 RM'000	FYE 2019 RM'000	FPE 2020 RM'000	
Capital divestitures					
Asset written off					
Office equipment	8	-	-	-	-
Renovation	(2)2,651	-	-	-	-
Furniture and fittings	89	7	-	-	-
	2,748	7	-	-	-

Notes:

- (1) The disposal of freehold building of RM0.4 million relates to a freehold residential building acquired to be used as a project-related office for Taman Sentosa, which was subsequently disposed after the project's completion
- (2) The writing off of renovation in FYE 2017 was mainly due to demolition of our show gallery of Atlantis Residences. We have subsequently utilised the land to develop our next project, namely Bali Residences
- (3) In FYE 2019, we traded old motor vehicles for new ones, and in FPE 2020 we sold motor vehicles which were formerly used by the late Datuk Teo Poh Boon

Other than the disposal of the residential building, the above capital divestitures were carried out in the ordinary course of business as part of our periodic review of our fixed asset register to identify and eliminate those assets which have been fully depreciated or no longer in use or obsolete or surpassed their useful lives.

Investment in subsidiaries

- (a) On 31 December 2018, Teladan Setia disposed of its 100% equity interest in Widenote to Teo Lay Ban (a related party) for RM1 and recorded a gain on disposal of RM123,000. Arising from this disposal, the results of Widenote were recorded as discontinuing operations for FYE 2017 and 2018.

Widenote is involved in the provision of lodging services. The disposal was undertaken to streamline our business activities as Widenote is not in the property development industry and was loss making. For FYE 2018, Widenote recorded a net loss of RM97,379, and was in net liabilities position of RM122,999.

- (b) On 31 January 2019, Teladan Setia submitted an application to strike off Midwest (94%-owned subsidiary) under Section 551 of the Act which was completed on 1 July 2019. Prior to the strike off, Midwest was inactive. The strike-off of Midwest will not have any material effect on the operations and/or financials of our Group.

Save as disclosed in Section 12.6, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia as at LPD.

6. INFORMATION ON OUR GROUP (Cont'd)

6.11.3 Material plans to construct, expand or improve our facilities

As a property developer, we do not own any facilities other than our land held for development.

6.12 EMPLOYEES

The breakdown of our employees as at 30 September 2020 and LPD are as follows:

Department	Total no. of employees	
	As at 30 September 2020	As at LPD
Executive Directors	2	2
Sales and marketing	11	10
Conveyancing	5	5
Projects	18	18
Business development	1	1
Finance and administration	11	10
	48	46

There were no significant changes in the number of employees of our Group for FPE 2020 and up to LPD. As at LPD, we do not employ any contract workers or foreign workers.

None of our employees belong to any labour union and as at LPD, there is no material dispute between our management and our employees. Over FYE 2017 to 2019 and FPE 2020, there has not been any incident of work stoppage or labour disputes that has materially affected our operations.

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7. BUSINESS OVERVIEW

7.1 OUR HISTORY

On 27 March 1997, our founder, the late Datuk Teo Poh Boon acquired 100% equity interest in Teladan Setia through Polywell Enterprise, a company which was then involved in development of properties in Johor. Amongst Polywell Enterprise's development projects in Johor is the transformation of an approximately 125-acre land in Yong Peng, Johor, into a township named as Kota Yong Peng in 1987. As at LPD, Polywell Enterprise is an investment holding company and holds a portfolio of agricultural land in Johor and Melaka.

In 1997, our Managing Director, Teo Lay Ban joined our Group as a Business Development Manager where he worked alongside the late Datuk Teo Poh Boon and assisted in site selection and land acquisition, which comprised assessing findings of due diligence studies and feasibility studies on land, participating in price negotiations during land acquisitions as well as formulation of development concepts, marketing and financing plans.

Polywell exited as a shareholder in Teladan Setia after the share transfer to the late Datuk Teo Poh Boon in 2 tranches on 19 September 2013 and 12 November 2014 as part of a restructuring exercise for Teladan Setia to focus on property development in Melaka. Teo Lay Ban became a shareholder in Teladan Setia on 9 July 2014 through the subscription of 750,000 new shares in Teladan Setia, equivalent to 20% equity interest.

In 1997, we marked our first milestone when we launched our first project in Taman Seri Selendang, Batu Berendam. This project comprised 294 units of residential houses and 44 units of shop offices with a total GDV of RM43.5 million, completed over 4 phases between 1999 and 2004.

We achieved another milestone with our Taman Cheng Setia project which surpassed the RM100 million benchmark, and was completed over 6 phases between 2006 and 2018 with a GDV of RM115.0 million. This project comprised 534 units of residential houses, 9 units of shop offices and 7 lots of bungalow land. Over the years, as our Group continues to grow, we began launching projects with larger GDV.

Our expertise in landed residential property development led us to explore the development of high-rise residential properties to expand our property portfolio. In 2011, we launched our first high-rise residential property, The Tropicana Residences in Taman Sentosa which was completed in 2014. This 14-storey development comprises 140 condominium units with a total GDV of RM49.8 million. With this as a start, we began to include more high-rise residential properties development into our projects portfolio. In 2014, we launched our second high-rise residential property, Atlantis Residences in Kota Laksamana which was completed in 2018. This 40-storey development comprises 1,360 service apartment units with a total GDV of RM603.9 million, surpassing the RM500 million benchmark. Please refer to Section 7.2.2(a) for further details of our completed projects.

In 2018, we began to adopt QLASSIC requirements in our projects for quality improvement and Bandar Baru Merlimau is our first project which obtained QLASSIC certification.

Over the years, we have grown and established our presence as a reputable residential property developer in Melaka who offers quality properties to our buyers. As at LPD, we have completed development projects with a total GDV of RM2.1 billion.

As at LPD, we have 3 on-going projects, namely Taman Desa Bertam (Phase 2 and 3A), Taman Belimbing Setia (Phase 2B), and Bali Residences. Please refer to Section 7.2.2(b) for further details of our on-going projects.

7. BUSINESS OVERVIEW (Cont'd)

7.2 DESCRIPTION OF OUR BUSINESS

We are principally involved in the property development business where we develop and sell residential and mixed development properties. As we are focused in the property development business, we do not have any in-house contractors for construction works. Our projects are located in Melaka, Malaysia.

As at LPD, we have 20 completed projects, 3 on-going projects and 3 future projects. Please refer to Section 7.2.2 for further details of our projects and Appendix I for the particulars of the land we hold for on-going and future developments as well as material inventory from our completed developments.

7.2.1 Development of residential properties and shops

(i) Residential

Our residential projects include landed, low-rise and high-rise residential properties. Our landed residential properties comprise terrace houses, cluster houses, semi-detached houses and detached houses. Our low-rise residential properties comprise low-rise flats. Our high-rise residential properties comprise condominiums and service apartments.

As at LPD, we have 14 completed projects, 2 on-going and 2 future residential projects. All our residential projects are located in Melaka.

(ii) Mixed development

Our mixed development projects include both residential properties and shops. Our mixed development projects typically comprise landed, low-rise and/or high-rise residential properties as well as landed shops such as shop houses, offices and retail shops.

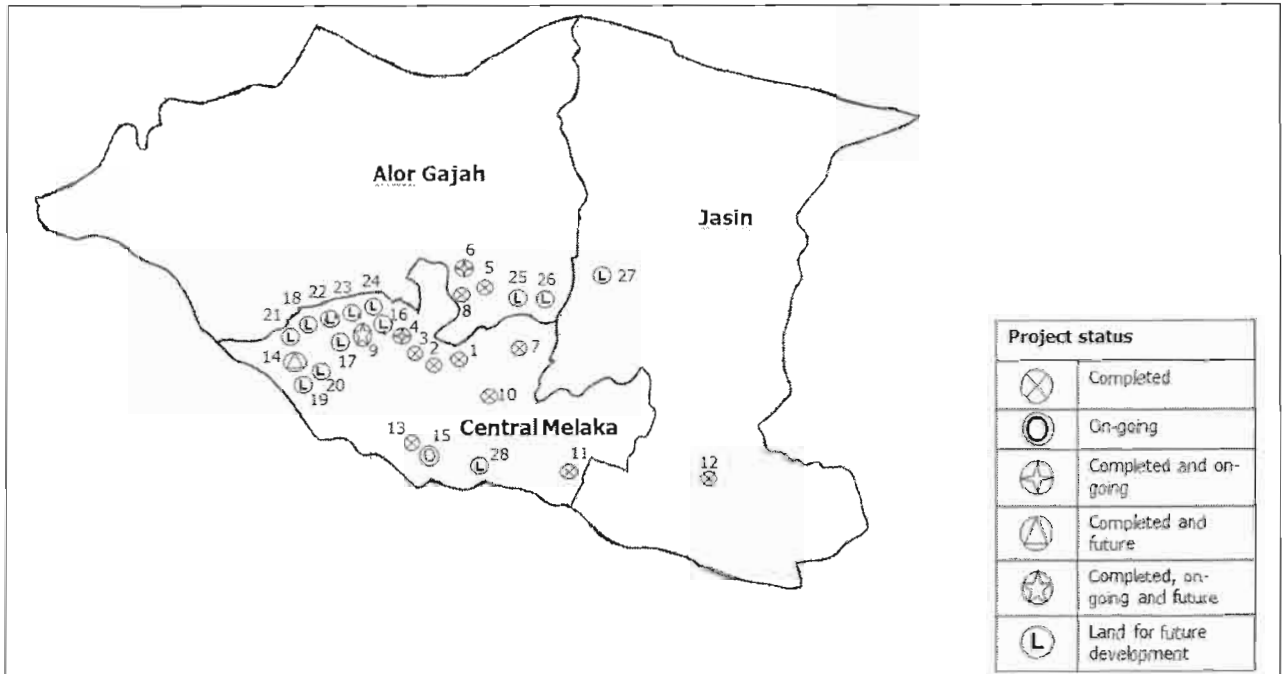
As at LPD, we have 6 completed projects, 1 on-going and 1 future mixed development projects. All our mixed development projects are located in Melaka.





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7. BUSINESS OVERVIEW (Cont'd)



7.2.2 Projects and landbank details

The following map sets out the approximate locations of our completed (GDV above RM40 million), on-going, future development projects and our landbank in Melaka:



Map legend:			
 Completed projects of GDV more than RM40 million	<ol style="list-style-type: none"> 1. Taman Seri Selendang (GDV of RM43.5 million over 26.9 acres) 2. Taman Bukit Cheng (GDV of RM42.6 million over 26.9 acres) 3. Taman Cheng Setia (GDV of RM115.0 million over 51.7 acres) 4. Taman Bertam Setia (GDV of RM234.9 million over 106.9 acres) 5. Taman Desa Idaman (GDV of RM198.9 million over 122.1 acres) 7. Taman Saujana Heights (GDV of RM127.8 million over 15.9 acres) 8. Taman Seri Tuah Permai (GDV of RM41.3 million over 12.2 acres) 10. The Tropicana, Taman Sentosa (GDV of RM26.7 million over 4.7 acres) The Tropicana Residences (GDV of RM49.8 million over 1.9 acres) 11. Taman Bukit Larang (GDV of RM58.3 million over 29.3 acres) 12. Bandar Baru Merlimau (GDV of RM68.1 million over 25.0 acres) 13. Atlantis Residences (GDV of RM603.9 million over 5.4 acres) 	 Land for future development	<p>With planning permission</p> <ol style="list-style-type: none"> 16. GRN 6772 Lot 53, Mukim Tanjong Minyak, Melaka (166.3 acres) <p>Without planning permission</p> <ol style="list-style-type: none"> 17. GM 107 Lot 66, Mukim Tanjong Minyak, Melaka (3.2 acres) 18. GM2565 Lot 24668, Mukim Tanjong Minyak, Melaka (4.8 acres) 19. GRN 14999 Lot 2308, Mukim Sungei Udang, Melaka (9.9 acres) 20. GRN 22813 Lot 1137, Mukim Tanjong Minyak, Melaka (14.0 acres) 21. Geran 6720 Lot 34, Mukim Tanjong Minyak, Melaka (11.5 acres) 22. GM 150 Lot 37, Mukim Tanjong Minyak, Melaka (5.5 acres) 23. Geran 12906 Lot 39, Mukim Tanjong Minyak, Melaka (14.9 acres) 24. GM 151 Lot 40, Mukim Tanjong Minyak, Melaka (5.9 acres) <p>In the process of acquisition</p> <ol style="list-style-type: none"> 25. PM 1100 Lot 10243, Mukim Durian Tunggal, Melaka (0.2 acres) 26. Geran 3540 and 3541, Lot 2544 and 2545, Mukim Durian Tunggal, Melaka (10.2 acres) 27. PN 55269 Lot 14734, Mukim Ayer Panas, Melaka (116.0 acres) 28. PN 56988 Lot 14560 and PN 56989 Lot 14561, Mukim Telok Mas, Melaka (18.8 acres)
 On-going projects with completed phases	<ol style="list-style-type: none"> 6. Taman Belimbing Setia Completed: GDV of RM140.9 million over 101.3 acres On-going: GDV of RM25.9 million over 9.2 acres 	 Completed projects with future phases	<ol style="list-style-type: none"> 14. Taman Bertam Putra Completed: GDV of RM91.0 million over 45.1 acres Future: Estimated GDV of RM16.6 million over 1.3 acres

7. BUSINESS OVERVIEW (Cont'd)

 Projects with completed, on-going and future phases	9. Taman Desa Bertam Completed: GDV of RM247.9 million over 98.8 acres On-going: GDV of RM277.5 million over 69.6 acres Future: Estimated GDV of RM243.1 million over 71.6 acres	 On-going projects	15. Bali Residences (GDV of RM319.6 million over 3.7 acres)
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7. BUSINESS OVERVIEW (Cont'd)

We classify our projects into 4 categories based on their respective development stages:

- (i) **Completed properties**, representing properties for which construction of all the constituents of the buildings have been completed and the CCC has been obtained;
- (ii) **On-going projects**, representing projects where all necessary approvals and permits have been obtained and construction work has commenced but not completed;
- (iii) **Future projects**, representing projects where the planning permissions have been obtained but construction work has not commenced; and
- (iv) **Land for future development**, representing land which we have not applied for approvals and permits to develop.

The details of our projects are set out in (a) to (d) below:

(a) Completed projects

Over the years, we have completed 20 projects, directly and through joint ventures. Out of all the completed projects, 14 projects have GDV above RM40 million and 6 projects have GDV below RM40 million. Below is a list of 14 completed projects with GDV above RM40 million. Please refer to Appendix I for further details of our material inventory from our completed developments.

Name and location of project	Type of project	Total site area (acres)	Description	Completion period	Total units launched	Total units sold as at LPD	% sold as at LPD	GDV (RM million)
Taman Seri Selendang, Batu Berendam, Melaka • Phases 1, 2 and 3	Mixed development	26.9	<ul style="list-style-type: none"> • 26 units of 2 storey shop office (20'x70') • 100 units of 2 storey terrace house (20'x70') and (18'x60') • 20 units of 2 storey semi-detached house (40'x65') • 68 units of 1 storey terrace house (18'x60') • 18 units of 2 storey shop office (20'x70') • 53 units of 2 storey terrace house (18'x60') 	<ul style="list-style-type: none"> • November 1999 • December 1999 • December 1999 • May 2000 • September 2000 • June 2001 	26	100	100.0	5.5
					100	100	100.0	12.9
					20	20	100.0	4.1
					68	68	100.0	2.7
					18	18	100.0	4.0
					53	53	100.0	5.7

7. BUSINESS OVERVIEW (Cont'd)

Name and location of project	Type of project	Total site area (acres)	Description	Completion period	Total units launched	Total units sold as at LPD	% sold as at LPD	GDV (RM million)
• Phase 4			<ul style="list-style-type: none"> 37 units of 2 storey terrace house (20'x70') 16 units 2 storey terrace house (20' x 70') 	<ul style="list-style-type: none"> March 2002 November 2004 	37	37	100.0	5.7
			Total		338	338	100.0	43.5
Taman Bukit Cheng, Melaka	Residential	26.9	<ul style="list-style-type: none"> 8 units of 2 storey semi-detached house (40'x80') 33 units of 2 storey terrace house (20'x60') 48 units of 2 storey terrace house (20'x60') 80 units of firefighters quarters, 1 unit of mosque and 1 unit of multipurpose hall for Ayer Keroh fire station, Melaka 	<ul style="list-style-type: none"> February 2002 June 2003 June 2003 February 2002 	8	8	100.0	2.1
• Phase 1			<ul style="list-style-type: none"> 20 units of 1 storey terrace house (20'x60') 4 lots of bungalow land 	<ul style="list-style-type: none"> January 2004 Not applicable 	20	20	100.0	1.8
• Phases 2 and 3	Residential		<ul style="list-style-type: none"> 8 units 2 storey semi-detached house (40'x70') 35 units 2 storey terrace house (22'x70') 34 units 2 storey terrace house (20'x70') 	<ul style="list-style-type: none"> February 2004 July 2004 February 2005 	8	35	100.0	2.2
• Phase 4	Residential		<ul style="list-style-type: none"> 19 units of 1 storey terrace house (20'x70') 20 units 1 storey terrace house (20'x70') 	<ul style="list-style-type: none"> December 2006 December 2006 	19	19	100.0	2.4
			Total		309	309	100.0	42.6

7. BUSINESS OVERVIEW (Cont'd)

Name and location of project	Type of project	Total site area (acres)	Description	Completion period	Total units launched	Total units sold as at LPD	% sold as at LPD	GDV (RM million)
Taman Cheng Setia, Cheng, Melaka • Phase 1	Mixed development	51.7	• 36 units of 2 storey semi-detached house (40'x80')	• April 2006	36	36	100.0	10.0
			• 42 units of 2 storey terrace house (24'x70')	• April 2006	42	42	100.0	9.0
			• 48 units of 2 storey terrace house (22'x70')	• April 2006	48	48	100.0	8.6
• Phase 2			• 79 units of 2 storey terrace house (20'x70')	• April 2006	79	79	100.0	12.6
			• 3 lots of bungalow land	• Not applicable	3	3	100.0	0.3
			• 70 units of 2 storey terrace house (20'x70')	• September 2007	70	70	100.0	12.1
• Phase 3			• 16 units of 2 storey terrace house (22'x70')	• September 2007	16	16	100.0	3.0
			• 31 units of 2 storey terrace house (20'x70')	• September 2007	31	31	100.0	5.4
			• 14 units of 2 storey semi-detached house (40'x80')	• March 2010	14	14	100.0	4.4
• Phase 3A			• 12 units of 1 storey semi-detached house (40'x80')	• March 2010	12	12	100.0	2.9
			• 26 units of 1 storey terrace house (24'x70')	• October 2009	26	26	100.0	4.4
			• 56 units of 2 storey terrace house (22'x70')	• October 2009	56	56	100.0	12.1
			• 13 units of 2 storey terrace house (20'x70')	• October 2009	13	13	100.0	2.5
			• 16 units of 2 storey semi-detached house (40'x70')	• March 2010	16	16	100.0	5.4
			• 18 units of 2 storey semi-detached house (40'x80')	• March 2010	18	18	100.0	6.6
• 4 lots of bungalow land	• Not applicable	4	4	100.0	0.5			

7. BUSINESS OVERVIEW (Cont'd)

Name and location of project	Type of project	Total site area (acres)	Description	Completion period	Total units launched	Total units sold as at LPD	% sold as at LPD	GDV (RM million)
• Phase 5			<ul style="list-style-type: none"> 41 units of 1 storey terrace house (20'x65') 9 units of 1 storey shop office (22'x70') 	<ul style="list-style-type: none"> July 2011 July 2011 	41	41	100.0	5.9
• Phase 6			<ul style="list-style-type: none"> 16 units of 2 storey terrace house (22'x65') 	<ul style="list-style-type: none"> November 2018 	16	13	81.25	7.3
Total					550	547	99.5	115.0
Taman Bertam Tanjong Minyak, Melaka • Phase 1A ⁽¹⁾	Mixed development	106.9	<ul style="list-style-type: none"> 7 units of 2 storey shop house (20'x70') 57 units of 2 storey terrace house (20'x65') 94 units of 2 storey terrace house (20'x60') 33 units of 1 storey terrace house (20'x60') 24 units of 1 storey low cost house (20'x55') 28 units of 2 storey terrace house (20'x60') 6 units of 2 storey semi-detached house (45'x70') 3 units of 2 storey bungalow 1 lot of bungalow land 	<ul style="list-style-type: none"> December 2008 December 2008 December 2008 December 2008 December 2008 June 2015 June 2015 June 2015 Not applicable 	7	7	100.0	1.7
• Phase 1B ⁽¹⁾			<ul style="list-style-type: none"> 124 units of 2 storey terrace house (24'x70') 97 units of 2 storey terrace house (22'x70') 40 units of 2 storey terrace house (20'x70') 	<ul style="list-style-type: none"> January 2013 June 2011 June 2011 	124	124	100.0	31.4
• Phase 1C ⁽¹⁾			<ul style="list-style-type: none"> 77 units of 1.5 storey terrace house (20'x55') 	<ul style="list-style-type: none"> November 2020 	77	77	100.0	14.5
• Phase 2A			<ul style="list-style-type: none"> 97 units of 2 storey terrace house (22'x70') 40 units of 2 storey terrace house (20'x70') 	<ul style="list-style-type: none"> June 2011 June 2011 	97	97	100.0	21.4
			<ul style="list-style-type: none"> 40 units of 2 storey terrace house (20'x70') 	<ul style="list-style-type: none"> June 2011 	40	40	100.0	8.0

7. BUSINESS OVERVIEW (Cont'd)

Name and location of project	Type of project	Total site area (acres)	Description	Completion period	Total units launched	Total units sold as at LPD	% sold as at LPD	GDV (RM million)
• Phase 2B			• 40 units of 1 storey terrace house (24'x70')	• October 2013	40	40	100.0	6.9
			• 1 lot of bungalow land	• Not applicable	1	1	100.0	0.2
			• 18 units of 2 storey terrace house (20'x70')	• April 2015	18	18	100.0	4.3
• Phase 3			• 16 units of 2 storey terrace house (22'x65')	• April 2015	16	16	100.0	4.0
			• 15 units of 2 storey terrace house (22'x70')	• April 2015	15	15	100.0	3.8
			• 30 units of 2 storey semi-detached house (40'x80')	• July 2015	30	30	100.0	11.5
			• 196 units of 2 storey semi-detached house (40'x80')	• October 2014	196	196	100.0	66.3
			• 54 units of 1 storey semi-detached house (40'x80')	• May 2013	54	54	100.0	13.8
• Phase 3A			• 10 lots of bungalow land	• Not applicable	10	7	70.0	1.3
			• 10 units of 2 storey semi-detached house (40'x80')	• May 2015	10	10	100.0	4.5
• Phase 5 ⁽¹⁾			• 23 units of 2 storey terrace house (22'x70')	• August 2017	23	23	100.0	8.0
Total					1,004	1,001	99.7	234.9
Taman Desa Idaman, Durian Tunggal, Melaka	Residential	122.1	• 108 units of 1 storey terrace house (24'x70')	• January 2011	108	108	100.0	15.2
			• 114 units of 1 storey terrace house (22'x70')	• January 2011	114	114	100.0	13.5
			• 112 units of 1 storey cluster semi-detached house (35'x70')	• January 2011	112	112	100.0	19.5
• Phase 1A			• 62 units of 2 storey terrace house (28'x70')	• July 2012	62	62	100.0	15.3
			• 32 units of 1 storey cluster semi-detached house (35'x70')	• July 2012	32	32	100.0	5.7

7. BUSINESS OVERVIEW (Cont'd)

Name and location of project	Type of project	Total site area (acres)	Description	Completion period	Total units launched	Total units sold as at LPD	% sold as at LPD	GDV (RM million)
• Phase 1C			<ul style="list-style-type: none"> 42 units of 1 storey semi-detached house (40'x80') 	<ul style="list-style-type: none"> February 2017 	42	42	100.0	13.8
• Phase 2			<ul style="list-style-type: none"> 5 lots of bungalow land 198 units of 2 storey semi-detached house (40'x80') 	<ul style="list-style-type: none"> Not applicable July 2012 	5 198	5 198	100.0 100.0	0.2 59.1
• Phase 3			<ul style="list-style-type: none"> 8 lots of bungalow land 148 units of 2 storey terrace house (22'x70') 20 units of 1 storey semi-detached house (40'x75') 	<ul style="list-style-type: none"> Not applicable September 2015 September 2015 	8 148 20	5 148 20	63.0 100.0 100.0	0.5 49.2 6.9
				Total	849	846	99.6	198.9
Taman Belimbing Setia, Belimbing, Melaka	Residential	101.3	<ul style="list-style-type: none"> 95 units of 2 storey bungalow (50'x90') 232 units of 1 storey bungalow (50'x80') and (50'x90') 133 units of 1 storey bungalow (50'x80') 	<ul style="list-style-type: none"> August 2013 August 2013 January 2015 	95 232 133	95 232 133	100.0 100.0 100.0	31.6 61.8 45.9
• Phase 3			<ul style="list-style-type: none"> 32 units of 2 storey cluster house (678 sq ft) 	<ul style="list-style-type: none"> December 2015 	32	32	100.0	1.6
				Total	492	492	100.0	140.9
Taman Saujana Heights, Bukit Katil, Melaka	Residential	15.9	<ul style="list-style-type: none"> 53 units 2 storey bungalow (80'x80') 32 units 2 storey bungalow (60'x100') 14 units 2 storey semi-detached house (45'x90') 	<ul style="list-style-type: none"> December 2014 December 2014 December 2014 	53 32 14	53 30 14	100.0 93.8 100.0	77.0 39.3 11.5
				Total	99	97	98.0	127.8
Taman Seri Tuah Permai, Durian Tunggal, Melaka	Mixed development	12.2	<ul style="list-style-type: none"> 45 units of 2 storey shop office (22'x70') 	<ul style="list-style-type: none"> February 2016 	45	22	48.9	22.6

7. BUSINESS OVERVIEW (Cont'd)

Name and location of project	Type of project	Total site area (acres)	Description	Completion period	Total units launched	Total units sold as at LPD	% sold as at LPD	GDV (RM million)
The Tropicana, Taman Sentosa, Melaka	Residential	4.7	<ul style="list-style-type: none"> 38 units of 2 storey terrace house (22'x70') 20 units of 2 storey semi-detached house (40'x80') 1 unit of commercial land 	February 2016	38	38	100.0	11.1
				February 2016	20	20	100.0	7.6
				Not applicable	1	0	0.0	*
Total					104	80	76.9	41.3
The Tropicana Residences	Residential	1.9	<ul style="list-style-type: none"> 16 units of 3 storey cluster semi-detached house (20'x60') 48 units of 3 storey terrace house (22'x65') 1 tower comprising 140 units of condominium (883 sq ft to 1356 sq ft) 	March 2010	16	16	100.0	8.7
				March 2010	48	48	100.0	18.0
				July 2014	140	140	100.0	49.8
Total					204	204	100.0	76.5
Taman Bukit Indah, Teluk Mas, Melaka	Residential	29.3	<ul style="list-style-type: none"> 221 units of 1 storey cluster semi-detached house (35'x70') 68 units of 1 storey terrace house (20'x55') 3 lots of bungalow land 	August 2015	221	221	100.0	54.8
				August 2015	68	68	100.0	3.4
				Not applicable	3	3	100.0	0.1
Total					292	292	100.0	58.3
Bandar Baru Merlimau, Merlimau, Melaka ⁽¹⁾	Mixed development	25.0	<ul style="list-style-type: none"> 112 units of 2 storey shop office (22'x70') 49 units of 2 storey shop office (22'x80') 84 units of 1 storey terrace house (22'x70') 	December 2011	112	103	92.0	34.7
				December 2011	49	49	100.0	14.3
				March 2018	84	84	100.0	19.1
Total					245	236	96.3	68.1
Atlantis Residences, Kota Laksamana, Melaka	Residential	5.4	<ul style="list-style-type: none"> 4 towers comprising 1,360 units of service apartment (689 sq ft to 2,454 sq ft) 	April 2018	1,360	1,323	97.3	603.9

7. BUSINESS OVERVIEW (Cont'd)

Name and location of project	Type of project	Total site area (acres)	Description	Completion period	Total units launched	Total units sold as at LPD	% sold as at LPD	GDV (RM million)
				Total	1,360	1,323	97.3	603.9
Taman Bertam Tanjung Minyak, Melaka (Phase 1)	Mixed development	45.1	<ul style="list-style-type: none"> 44 units of 2 storey shop office (22'x70') 175 units of 2 storey terrace house (24'x80') 5 lots of bungalow land 60 units of flat (700 sq ft and 710 sq ft) 	<ul style="list-style-type: none"> December 2018 December 2018 Not applicable May 2019 	44	15	34.1	20.7
				Total	175	174	99.4	66.6
				Total	284	249	87.7	91.0
Taman Desa Mukim Melaka (Phase 1A, 1B and 1C)	Residential	98.8	<ul style="list-style-type: none"> 218 units of 2 storey terrace house (24'x70') 135 units of 2 storey terrace house (22'x70') 55 units of 1 storey cluster house (35'x70') 193 units of 1 storey terrace house (20'x70') 172 units of 2 storey terrace house (24'x70') 	<ul style="list-style-type: none"> July 2019 August 2019 July 2019 July 2019 June 2020 	218	216	99.1	92.5
				Total	135	134	99.3	48.0
				Total	55	55	100.0	20.4
				Total	193	193	100.0	37.0
				Total	172	169	98.3	50.0
				Total	773	767	99.2	247.9
				Total			Total	2,090.6

Note:

(1) Joint-venture development projects. For further details, kindly refer to Section 7.2.3.

7. BUSINESS OVERVIEW (Cont'd)

(b) On-going projects

As at LPD, we are involved in 3 on-going projects, as illustrated below. Please refer to Appendix I for further details of our land held for on-going development.

Name and location of project	Type of project	Total site area (acres)	Description	Commencement date	Expected completion date	% of completion as at LPD	Total units launched	Total units sold as at LPD	% sold as at LPD	Estimated GDV (RM million)
Taman Desa Bertam, Mukim Tanjong Minyak, Melaka (Phase 2)	Residential	40.2	<ul style="list-style-type: none"> 127 units of 2 storey terrace house (22'x70') 108 units of 2 storey semi-detached house (40'x80') 6 units of 2 storey semi-detached house (35'x80') 148 units of 1 storey terrace house (22'x70') 	July 2020	March 2022	27.6	127	73	57.5	55.2
Taman Desa Bertam, Mukim Tanjong Minyak, Melaka (Phase 3A)	Residential	29.4 ⁽¹⁾	<ul style="list-style-type: none"> 244 units of 2 storey semi-detached house (40'x80') 14 units of 2 storey semi-detached house (35'x80') 	September 2020	June 2022	11.4	244	88	36.1	126.5
Total							389	305	78.4	143.1
Total							258	91	35.3	134.4

7. BUSINESS OVERVIEW (Cont'd)

Name and location of project	Type of project	Total site area (acres)	Description	Commencement date	Expected completion date	% of completion as at LPD	Total units launched	Total units sold as at LPD	% sold as at LPD	Estimated GDV (RM million)
Taman Belimbing Setia, Mukim Belimbing, Melaka (Phase 2B)	Residential	9.2 ⁽¹⁾	64 units of 1 storey bungalow (50'x80')	July 2019	February 2021	76.3	64	61	95.3	25.9
Bali Residences, Kota Syahbandar, Melaka	Mixed development	3.7	<ul style="list-style-type: none"> 2 towers comprising 830 units of service apartment (477 sq ft to 3,174 sq ft) 18 units of retail shop (775 sq ft to 3,100 sq ft) 	June 2018	December 2021 ⁽²⁾	46.5	830	667	80.4	306.0
						47.1	18	7	38.9	13.6
						Total	848	674	79.5	319.6
							Total		Total	623.0

Notes:

- ⁽¹⁾ Refers to the site area for the entire project. For avoidance of doubt, the area as disclosed for the same development under Appendix I refers to the aggregate title area of all units held under the project.
- ⁽²⁾ On 9 November 2020, we have obtained approval from the MHLG for extension of time of up to 4 April 2023 for the completion and handover to the buyers with no imposition of LAD on us. Nonetheless, we still expect to complete the project by December 2021.

7. BUSINESS OVERVIEW (Cont'd)

(c) Future projects

As at LPD, we have 3 future projects, as illustrated below. Please refer to Appendix I for further details of our land held for future development.

Name and location of future project	Bertam	Desa	Type of project	Total site area (acres)	Description	Expected commencement date	Total units	Estimated GDV (RM million)
Taman Bertam (Phase 3B)			Residential	40.9	<ul style="list-style-type: none"> • 186 units of 2 storey semi-detached house (40'x80') • 38 units 2 storey semi-detached house (50'x80') • 4 units of 2 storey semi-detached house (35'x80') 	Third quarter of 2021	225	128.0
Phase 4				30.7	<ul style="list-style-type: none"> • 273 units of 1 storey cluster house (35'x70') 	Third quarter of 2021	273	115.1
Taman Bertam (Phase 2)	Putra		Mixed development	1.3	<ul style="list-style-type: none"> • 36 units of shop office (22'x70') 	To be determined	36	16.6
Taman Bertam (Phase 1A)	Heights		Residential	61.6	<ul style="list-style-type: none"> • 442 units of 1 storey terrace house (20'x65') • 211 units of 2 storey town house (24'x55') 	Fourth quarter of 2021	653	92.0
Phase 1B				21.6	<ul style="list-style-type: none"> • 246 units of 2 storey terrace house (22'x80') • 30 units of 2 storey semi-detached house (40'x80') 	Fourth quarter of 2021	276	150.7
Phase 2A				52.2	<ul style="list-style-type: none"> • 419 units of 1 storey terrace house (20'x65') • 286 units of 2 storey terrace house (22'x80') • 66 units of 2 storey semi-detached house (40'x80') 	Fourth quarter of 2022	771	258.8
Phase 2B				30.9	<ul style="list-style-type: none"> • 373 units of 2 storey terrace house (22'x80') • 30 units of 2 storey semi-detached house (40'x80') 	Fourth quarter of 2022	403	234.0
Total							995.2	

7. BUSINESS OVERVIEW (Cont'd)

(d) Land for future development

Land for future development	Description	Type of land	Total land area (acres)
Owned			
PN 114690 Lot 2030, Pekan Baru Sungai Besi, Daerah Petaling, Selangor	This is first land together with HS(D) 316625 PT 1259 purchased by us to venture into Klang Valley.	Building for residential	3.6
HS(D) 316625 PT 1259, Pekan Baru Sungai Besi, Daerah Petaling, Selangor	This is first land together with PN 114690 Lot 2030 purchased by us to venture into Klang Valley.	Building for commercial	1.3
GM 107 Lot 66, Mukim Tanjong Minyak, Melaka	This land is near to our completed, on-going and future project, namely Taman Desa Bertam.	Agricultural zoned for residential	2.5
GM2565 Lot 24668, Mukim Tanjong Minyak, Melaka	This land is near to our completed, on-going and future project, namely Taman Desa Bertam.	Agricultural zoned for residential	4.8
Geran 14999 Lot 2308, Mukim Sungei Udang, Melaka	This land is near to our completed and future project, namely Taman Bertam Putra.	Agricultural zoned for residential	9.9
Geran 22813 Lot 1137, Mukim Tanjong Minyak, Melaka	This land is near to our completed, on-going and future project, namely Taman Desa Bertam.	Agricultural zoned for residential	14.0
Geran 6720 Lot 34, Mukim Tanjong Minyak, Melaka	This land is near to our completed, on-going and future projects, namely Taman Desa Bertam and Taman Bertam Setia.	Agricultural zoned for residential	11.5
GM 150 Lot 37, Mukim Tanjong Minyak, Melaka	This land is near to our completed, on-going and future projects, namely Taman Desa Bertam and Taman Bertam Setia.	Agricultural zoned for residential	5.5
Geran 12906 Lot 39, Mukim Tanjong Minyak, Melaka	This land is near to our completed, on-going and future projects, namely Taman Desa Bertam and Taman Bertam Setia.	Agricultural zoned for residential	14.9
GM 151 Lot 40, Mukim Tanjong Minyak, Melaka	This land is near to our completed, on-going and future projects, namely Taman Desa Bertam and Taman Bertam Setia.	Agricultural zoned for residential	5.9
			<u>73.9</u>

7. BUSINESS OVERVIEW (Cont'd)

Land for future development	Description	Type of land	Total land area (acres)
In the process of acquisition			
PM 1100 Lot 10243, Mukim Durian Tunggal, Melaka ⁽¹⁾	These pieces of land are located next to each other off Lebuah Ayer Keroh	Agriculture land zoned for institutional and society	0.2
Geran 3540 and 3541, Lot 2544 and 2545, Mukim Durian Tunggal, Melaka ⁽¹⁾			
PN 55269 Lot 14734, Mukim Ayer Panas, Melaka ⁽²⁾	This land is located at Ayer Panas, District of Jasin, Melaka	Building with express condition for golf course	116.0
PN 56988 Lot 14560 and PN 56989 Lot 14561, Mukim Telok Mas, Melaka ⁽³⁾	This land is sea-fronting and is located at Telok Mas, District of Melaka Tengah, Melaka	Building for residential	18.8
		Total	219.8

Notes:

- ⁽¹⁾ Land held by Polyintan, which acquisition is expected to be completed by the third quarter of 2021. The acquisition is conditional upon a development order being obtained for development of properties. Please refer to Section 6.5 for further details
- ⁽²⁾ The acquisition of this land is expected to be completed by March 2021. Please refer to Section 6.5 for further details
- ⁽³⁾ The acquisition of this land is expected to be completed by June 2021. Please refer to Section 6.5 for further details

Please refer to Appendix I for further details on our land held for future development.

7. BUSINESS OVERVIEW (Cont'd)

7.2.3 Joint-venture property development projects

We have also been involved in property development projects through joint-ventures. The joint-ventures in which we enter in are either with land owners or local authorities. The following is a breakdown of our revenue by projects developed through our own land bank, joint venture with other land owners and joint venture with authorities.

	FYE 2017		FYE 2018		FYE 2019		FPE 2020	
	RM million	%	RM million	%	RM million	%	RM million	%
Own land bank	339.1	94.3	253.2	97.7	227.0	97.4	92.4	92.4
Joint venture with land owners	5.4	1.5	2.6	1.0	6.0	2.6	7.6	7.6
Joint venture with authorities	15.0	4.2	3.3	1.3	-	-	-	-
Total	359.5	100.0	259.1	100.0	233.0	100.0	100.0	100.0

In the joint-ventures with land owners, normally:

- (a) We will pay to the land owners a security deposit upon execution of the joint venture agreements, which is to be refunded by the land owners upon receiving the land owners' entitlement (as defined below) at the completion of the property development projects;
- (b) The original issue document of title to the master land of the property development projects will be deposited with a stakeholder, who is authorised to release it to the appropriate authority for surrender and re-alienation for the issuance of sub-divided issue documents of title;
- (c) We are granted with a Power of Attorney by the land owners to do all things necessary to complete the property development projects, from pre-development to development and post-development, including execution of the sale and purchase agreements with the end purchaser on behalf of the land owners, obtaining bridging financing for the property development projects and submission of applications for relevant approval from the appropriate authorities;
- (d) All costs involved in the property development projects will be borne by us, and
- (e) The land owners are entitled to a pre-determined percentage of the completed properties (the "**land owners' entitlement**") ranging from 10% to 21.5% of the number of units of various property types within the property development projects. The allocation of land owners' entitlement is to be mutually agreed by the parties upon approval of the layout plan for each property development project, taking into consideration the factors that determine the price of the building lots and the percentage of the land owners' entitlement. The land owners' entitlement is to be delivered to the land owners within the completion period stipulated in the joint venture agreements and where the land owners' entitlement is sold by us, they will be entitled to the sale proceeds of the land owners' entitlement.

7. BUSINESS OVERVIEW (Cont'd)

In respect of joint-ventures with local authority, normally:

- (a) Where the project land was acquired by the local authority from the land owners in accordance with the Land Acquisition Act 1960 and the rules subsisting thereunder (the "LAA"), we were required to pay compensatory award to the land owners and all other land cost pertaining to the land acquisition payable under the LAA on behalf of the local authority. We were also required to surrender part of the project land to the local authority for the purpose of public amenity;
- (b) We were to meet the share capital requirement set out by the local authority with no change in the directorship and our shareholders throughout the duration of the joint-venture;
- (c) The properties development project was to be completed by us within the stipulated completion period in the joint venture agreement; and
- (d) In the event of default by us and we fail to remedy the default within the prescribed period stated in the local authority's notice, the local authority will be entitled to terminate the joint-venture upon which (i) all monies paid by us will be forfeited to the local authority, (ii) the vacant possession of project land is to be delivered to the local authority, (iii) the local authority will be at liberty to engage other developer or contractor to undertake the property development project.

The following list sets out the notable projects which we have completed through joint-ventures.

Name of project	Date of joint venture agreement	Joint-venture partner(s)	Nature of joint-venture partner	Completion date	GDV (RM million)
Taman Merak Mas	7 December 2000	Abu Bin Karim	Land owner	October 2003	8.5
Bandar Baru Merlimau	24 May 2006	Majlis Perbandaran Jasin	Local authority	December 2011 & March 2018	68.1
Taman Bertam Setia (Phase 1A, 1B and 1C)	10 May 2006	Compact Sdn Bhd	Sunrise Land owner	December 2008, June 2015 and November 2020	49.5
Taman Krubong Indah	28 December 2009	• Ya'akop Bin Saadon, Talib Bin Sadan, Rasip Bin Saadun, Asah Binti Sa'adon, Madiah Bindi Saadon, Patimah Binti Sa'adon and Madi Bin Saadon	Land owner	April 2015	31.8

7. BUSINESS OVERVIEW (Cont'd)

Name of project	Date of joint venture agreement	Joint-venture partner(s)	Nature of joint-venture partner	Completion date	GDV (RM million)
	24 December 2010	• Teladan Damai Sdn Bhd ⁽¹⁾			
Taman Bertam Setia (Phase 5)	24 December 2010	Teladan Damai Sdn Bhd ⁽¹⁾	Land owner	August 2017	8.0

Note:

- ⁽¹⁾ Roslani bin Hashim is a director of Teladan Setia and Teladan Damai Sdn Bhd. He is also a 50% shareholder of Teladan Damai Sdn Bhd. The remaining shareholder holding 50% is held under the estate of Mohamad Sam bin Sailan, who is deceased. Teladan Damai Sdn Bhd is currently dormant. Despite sharing the name "Teladan", there are no plans to reactivate Teladan Damai Sdn Bhd. Additionally, the name "Teladan" is not uncommon among companies. Nonetheless, we are confident that "Teladan Setia" is distinguishable by repute from other companies which may carry the name "Teladan".

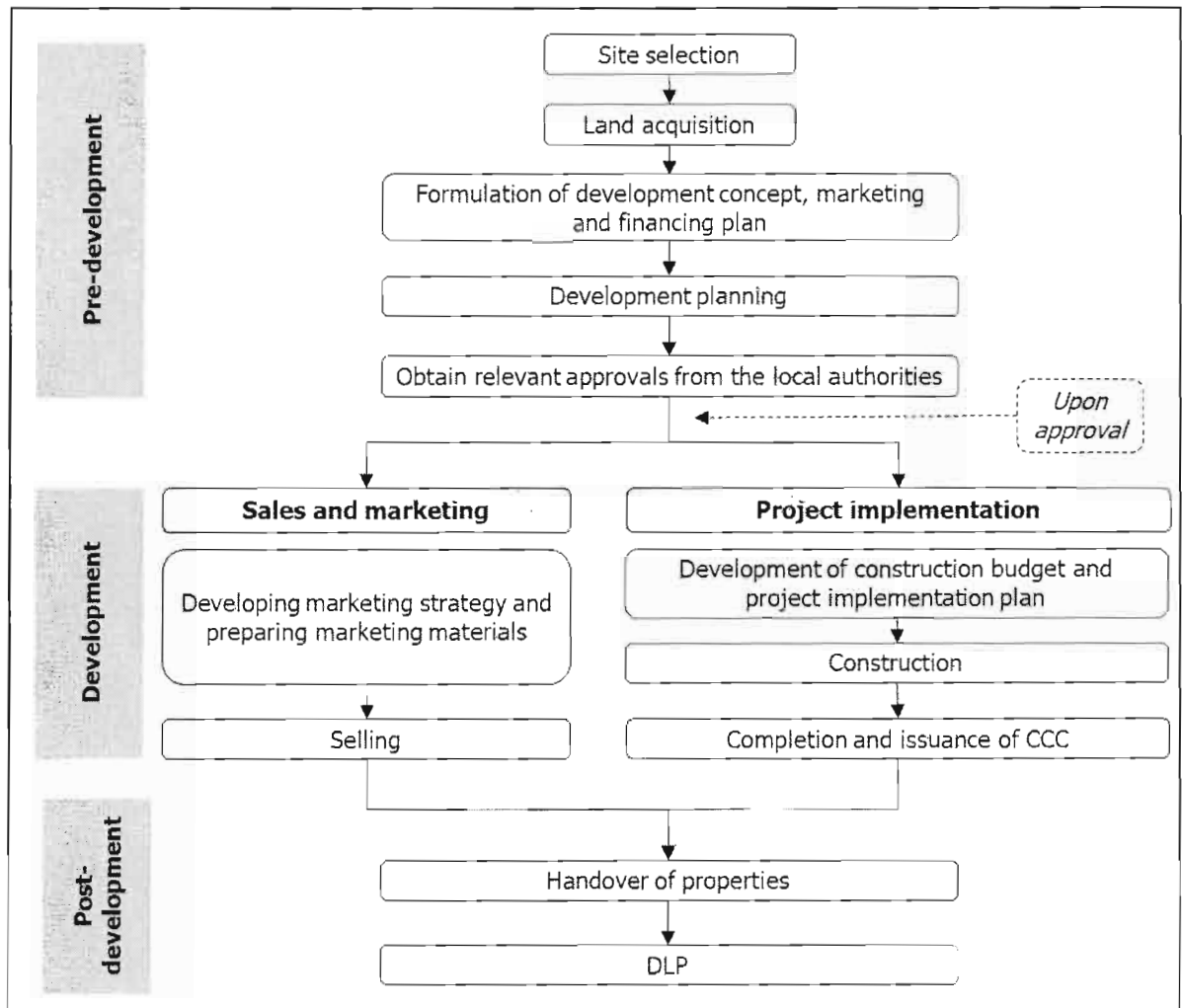
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7. BUSINESS OVERVIEW (Cont'd)

7.2.4 Business process

Property development

The typical process flow for our core business activities are depicted below:



(A) Pre-development

(i) Site selection and land acquisition

The process flow of a new project begins with the identification of a suitable plot of land for development. In identifying the potential site and its proposed types of development, we will consider, amongst others, the following site evaluation factors:

- The physical condition of the land;
- The location and profile of the neighbourhood that is in close proximity to the land;
- The accessibility to the area and the available supporting infrastructures and amenities;

7. BUSINESS OVERVIEW (Cont'd)

- Competition, consumer demand and marketability of the properties in that area or surrounding areas; and
- The estimated cost of the development, as well as investment and financial return ratios.

We also consider other macroeconomic factors such as:

- The economic prospects of the surrounding areas;
- The maturity of the residential property and shop market in the surrounding areas; and
- The resources available, including financing environment such as liquidity, banks' preference and cost of financing.

Once the potential land to be acquired has been identified, we will conduct due diligence and preliminary feasibility study on the land. The preliminary feasibility study takes into consideration, amongst others, the preliminary development concept, market supply and demand, budget forecast and conceptual estimated costs of construction, financing commitments, potential pricing of the properties, environmental impacts and requirements, and existing and/or potential competing property developments in the vicinity of the site.

The findings of the due diligence and preliminary feasibility study will be presented to our Managing Director and Executive Director for their consideration and deliberation.

Upon obtaining the approval and clearance from our Managing Director and Executive Director, we will proceed with the legal process of the land acquisition, refine our development concept, as well as formulate our marketing and financing plan.

(ii) Formulation of development concept, marketing and financing plan

Upon the completion of the land acquisition, we will proceed to formulate the development concept, marketing and financing plan:

- Development concept

We will work with third party professional design consultants to refine the development concept of the land in terms of, amongst others, plotting and building sizes, amenities location and sizes, street designs and traffic, and common infrastructure.

- Marketing plan

Our sales and marketing plan will determine the marketing strategies of the proposed development concept, taking into consideration future supply and demand, market segment and product marketability.

- Financing plan

We will prepare an estimated development costing based on the conceptualised development plan. Thereafter, we will develop the financing plan that includes sources of financing and the timeline to gather the required budget, for the proposed development.

7. BUSINESS OVERVIEW (Cont'd)

(iii) Development planning

After the formulation of our development concepts, marketing as well as financing plans, our project team proceeds with development planning. During the process of development planning, we will prepare a detailed development plan that outlines all the development details, including a detailed site layout plan which comprises each component in the development site such as the residential or commercial buildings, amenities, infrastructure and common area landscaping. The design, structures and specifications of each component will also be included in the detailed development plan.

Further, we will create a development timeline which sets out the phases of development and the important milestones to be achieved. Meanwhile, we will also calculate the GDC and GDV of the development prior to the finalisation of the development plan.

(iv) Obtain relevant approvals from the local authorities

Upon the internal finalisation of the detailed development plan, we will proceed to obtain the relevant approvals from the local authorities, including the approval of the development plan, land conversion, subdivision plan, building plan and APDL.

Once we receive the relevant approvals from the local authorities, steps (v) and (vi) below will take place concurrently:

(B) Development

(v) Sales and marketing

(a) Developing marketing strategy and preparing marketing materials

Our marketing team will develop a marketing strategy and prepare marketing materials as soon as the information of our projects is obtained.

(b) Selling

Our marketing team will begin selling and marketing our new projects upon finalisation of marketing strategy and marketing materials.

(vi) Project implementation

(a) Development of construction budget and project implementation plan

Third party quantity surveyors, architects, geotechnical engineers, civil and structural engineers and M&E engineers will prepare comprehensive construction budget estimation for all relevant procurement trades and construction works. The budget estimation will act as a benchmark for our project team to control their costs throughout the project implementation period.

Further, we will develop a project implementation plan which specifies the design and details of the project, such as the type of finishing, construction timeline and delivery schedule.

7. BUSINESS OVERVIEW (Cont'd)

(b) Construction

For the construction works, we will invite our panel of contractors to submit their tender bids and proposals. The projects will be awarded to contractors based on our Group's evaluation criteria and the prices submitted by the contractors against the approved budget estimation.

Upon commencement of construction works, our project teams will oversee the progress of the construction works through regular on-site inspections and monitoring of progress reports. We will also conduct meetings with our team of professional consultants and contractors on a monthly basis to keep abreast of the progress of projects as well as to resolve any issues that arise. This is to ensure on-budget and timely completion of the proposed development, as well as to achieve the required quality.

(c) Completion and issuance of CCC

Upon the completion of the construction works, the architect will issue the CCC once the completed buildings have been inspected and certified compliance to building plans and statutory requirements by the relevant local authorities.

(C) Post-development

(vii) Handover of properties

Upon completion of projects, the following will take place before the purchased properties are handed over to our buyers:

- Issuance of notice of vacant possession; and
- Handover of keys and relevant documents such as CCC and building certification.

(viii) DLP

We will be responsible for the building repairs if any defect is found during the DLP as specified in the sale and purchase agreement, which lasts for 24 months after the date our buyer takes vacant possession during handover of properties. We will withhold a 5% retention sum from the main contractors and have a back-to-back arrangement with them to rectify any defects within the DLP. Contractors are responsible to rectify any defects during the DLP. In the event that the contractors do not rectify the defects during the DLP, any costs incurred by our Group to rectify the defects within the DLP will be charged to our contractors. The retention sum is released in 2 tranches, the first 2.5% will be released after 9 months from the date of the certificate of practical completion while the remaining 2.5% will be released after 24 months from the date of the certificate of practical completion.

7. BUSINESS OVERVIEW (Cont'd)

7.2.5 Impact of the Covid-19 and MCO situation to our business operations and financial performance

Due to the outbreak of the Covid-19 virus, the Government has imposed the MCO throughout Malaysia from 18 March 2020 to curb the spread of virus, which has halted all construction activities of our on-going projects as we are deemed to be operating in non-essential services. As such, there were unexpected delays in the completion of our on-going projects or commencement of future projects. Buyers may claim LAD on delays in completion of the project, unless an extension of time is granted by the MHLG. In this respect, on 23 October 2020, the Government gazetted the Malaysia's Temporary Measures for Reducing the Impact of Coronavirus Disease 2019 (Covid-19) Act, which allows, amongst others, the period of 18 March 2020 to 31 August 2020 to be excluded from the calculation of time for delivery of vacant possession, and LAD. In addition, developers may seek an extension of time for the aforementioned period to complete projects. In view of this, we had considered whether to apply for extension of time from MHLG to complete our on-going projects, and decided we would need to apply only for Bali Residences as we still expect to complete our other on-going projects within their given periods.

On 23 January 2021, our contractor for the Bali Residences project reported 203 foreign workers who tested positive for Covid-19 in line with the compulsory testing imposed by the Government. In accordance with the procedures of the Ministry of Health, these foreign workers were quarantined for 10 days, and the construction site of Bali Residences was closed. We have agreed to bear part of our contractor's cost of testing, transportation as well as meals for the infected foreign workers during this period, which amounted to a total of approximately RM150,000 for us. There are no additional costs anticipated, and this will not have a significant impact to our operations and financial results.

The site of Bali Residences reopened on 2 February 2021. Despite this delay, we still expect to deliver the completion of Bali Residences by December 2021, which is within the extended timeframe approved by MHLG of up to 4 April 2023. As such, we do not expect any buyer to impose LAD on us.

Apart from the abovementioned incident in Bali Residences, there are no other positive Covid-19 infections detected in our projects as at LPD.

The MCO has also resulted in additional preventive measures taken by us to ensure our employees' safety and health as well as the continuity of our operations. In this respect, we strictly follow the rules of the National Security Council by observing the required social distancing in our office and on sites, and allowing only 30% of employees to work at office and site. Additionally, on 27 January 2021, all of our staff were tested voluntarily at our own expense, and were tested negative.

Continuation of our operations

Under the conditional MCO announced on 1 May 2020, we have resumed our sales and marketing activities on 4 May 2020 and subsequently our entire operations on 14 May 2020 following a press release from the Government specifying that the health and safety procedures for foreign labour were to be undertaken by companies operating in Selangor and Kuala Lumpur regions only. Further, on 9 November 2020, we have obtained approval from the MHLG for extension of time of up to 4 April 2023 for the completion of our on-going project, namely Bali Residences and handover to the buyers with no imposition of LAD on us. Nonetheless, we expect to complete this project by December 2021, which is within the extended timeframe.

7. BUSINESS OVERVIEW (Cont'd)

Potential impact of prolonged disruptions to our operations

The prolonged disruptions to our operations during the MCO may lead to the following spill over effects on our Group's operations and financial performance over the next few months:

- Delays in issuing progress billings according to the initial billing schedules as our progress billing is dependent on the progress of the construction of our projects. The MCO has disrupted the construction activities of our on-going projects, so there are delays in construction progress which leads to delays in issuing progress billings to our cash buyers and financial institutions. If we and our contractors and consultants are allowed to fully operate during the MCO without restrictions (e.g. on number of workers or working hours), we do not expect further delays in our progress billing from our initial billing schedule other than the initial MCO period of 18 March 2020 to 13 May 2020 where the construction activities of our on-going projects were halted. Further, as our appointed contractors and/or consultants were selected based on their financial strength, amongst others, during the tender stage, we expect them to have the sufficient financial and manpower resources to operate as usual during the MCO. During the initial MCO period, we have corresponded with our contractors and consultants for our on-going projects and they have indicated that they have no financial or manpower challenges. Under the conditional MCO announced on 1 May 2020, some of our contractors reported disruptions in the supply of raw material due to the restrictions in interstate travel. Nonetheless, all our contractors have resumed operations fully on 14 May 2020 as we have onsite materials available prior to the MCO and there have been no disruptions in the renewal of the working permits for their foreign labour, and no further operational or financial difficulties have been faced except for one incident on 23 January 2021 as detailed above. However, if onsite materials have depleted, and cannot be replenished, then construction activities may not continue. In this respect, restrictions on travel and logistics under a continued or stricter MCO are similarly expected to restrict operations overall. We will ensure our contractors keep a steady supply of materials as well as onsite materials just as we had prior to the implementation of the MCO;
- Delays in launching future projects due to the MCO period in view of the uncertainties in economic conditions and property market sentiment in Malaysia and Melaka after the MCO and until the Covid-19 crisis ends. If the launching of our future projects are delayed further, it may adversely affect our financial performance. Nevertheless, all 389 units of houses planned for Taman Desa Bertam Phase 2 were launched between June and July 2020, and we have launched most of Phase 3A of Taman Desa Bertam in September 2020. We also plan to launch Taman Desa Bertam Phase 3B and 4 eventually. We are confident that we will still be able to attract buyers, although possibly selling at a slower rate, as this project comprises landed residential properties located in a newly developed neighbourhood, and our buyer profiles mostly consist of people who own and occupy their homes. Further, we believe that the strength of our brand will lend comfort to buyers who are expected to be more cautious of their large purchases in this climate;
- Slower generation and completion of sales due to limitations in the execution of our sales and marketing activities as our operations and sales galleries are closed, and no property viewings are allowed, during the MCO. Nevertheless, our sales and marketing team has been proactively promoting our existing properties and new property launches during the MCO by contacting potential buyers through phone calls and through social media (e.g. Facebook) promotions and advertisements. Further, our sales and marketing team has communicated with buyers who have paid the booking fees for our properties prior to the MCO, to follow-up on their decision to proceed with the purchase of the properties. Under the conditional MCO announced on 1 May 2020, we have resumed sales and marketing activities on 4 May 2020 and

7. BUSINESS OVERVIEW (Cont'd)

reopened our sales galleries for property viewing, and subsequently our entire operations on 14 May 2020. Since the MCO and up to LPD, only 6 buyers terminated their purchase with us; and

- Potential cash constraints due to fixed expenses, inactivity and capital commitment for the purchase of landbank. During the MCO period, we still incurred monthly fixed expenses which include rental payment, finance costs and administrative expenses such as utilities and staff costs. We do not foresee the need to lay off any staff, deduct wages or other significant cost cutting measures at this juncture. For reference, our cash and cash equivalents as at LPD stood at RM52.4 million, and we have not had any significant outlays since. We are confident that our financial strength will sustain us through the MCO period so we may resume our activity without any delay since we continued to maintain our entire staff.

Worst case scenario analysis under a prolonged MCO situation

After taking into account the potential interruptions to our operations caused by the Covid-19 and MCO situation, we have made an estimate of how long our cash and cash equivalents can sustain our minimum operating costs in a worst case scenario. Our key assumptions for this scenario where our business is forced to be suspended for a prolonged period, include:

- (i) We will not generate any income due to the suspension of business;
- (ii) We will not have to pay our contractors due to suspension of works;
- (iii) Rentals of office and other miscellaneous charges are paid monthly;
- (iv) Operating and administrative expenses will be incurred to maintain our operations at a minimum level;
- (v) We will obtain the needed financing and pay all material committed cash outlays (as disclosed in Section 4.9.1) in due course; and
- (vi) No further dividend will be declared and paid under such situation.

Based on our cash and cash equivalent of approximately RM52.4 million as at LPD, our Board believes that our Group's balance cash and cash equivalents will be able to support our monthly cash demand for approximately 14.7 months without the need to liquidate any of our fixed assets such as landbank or buildings.

Financial impact of the MCO

Save for the MCO, our Group has not experienced any interruption in our operations that had a significant effect during the past 12 months preceding LPD. At this juncture, we cannot reasonably quantify the financial impact of the delays caused by the Covid-19 and MCO situation. Nonetheless, we expect a negative impact to our revenue and consequently our profits for FYE 2020 and beyond due to the delayed recognition of revenue from the progress of our projects. Moving forward, we expect to resume the progress and future launches of our projects at an adjusted schedule after accounting for the delay caused by the MCO, which will enable us to continue recognising revenue in this respect until FYE 2024.

7.2.6 Types, sources and availability of major raw materials

As a property developer, we do not engage in the purchase of any raw materials for the development of our projects.

7. BUSINESS OVERVIEW (Cont'd)

7.2.7 Operating capacities and output

As a property developer, the calculations of operating capacities and output are not applicable to us.

7.3 PRINCIPAL MARKETS

During the financial years and period under review, our revenues were all derived from our property development business in Melaka. The breakdown of our revenues by type of development projects are as follows:

	FYE 2017		FYE 2018		FYE 2019		FPE 2020	
	RM million	%	RM million	%	RM million	%	RM million	%
Residential	329.8	91.7	201.0	77.6	163.0	70.0	51.0	51.0
Mixed development ⁽¹⁾	29.7	8.3	58.1	22.4	70.0	30.0	49.0	49.0
Total	359.5	100.0	259.1	100.0	233.0	100.0	100.0	100.0

Note:

⁽¹⁾ Includes Taman Bertam Putra (Phase 1), Bali Residences and Taman Seri Tuah Permai and Bandar Baru Merlimau. The increase in percentage contribution from mixed developments for FYE 2017 was contributed by RM15.1 million from Bandar Baru Merlimau and RM14.6 million from Taman Bertam Putra (Phase 1). For FYE 2018 and FYE 2019, mixed development revenue contributions were mainly from Taman Bertam Putra (Phase 1) and Bali Residences. Taman Bertam Putra (Phase 1) contributed revenue of RM48.7 million and RM11.7 million for FYE 2018 and FYE 2019 respectively while Bali Residences contributed revenue of RM5.6 million and RM53.6 million for FYE 2018 and FYE 2019 respectively. For FPE 2020, Bali Residences was the main contributor to our mixed development revenue, totalling RM47.8 million. Within Taman Seri Tuah Permai, Taman Bertam Putra (Phase 1), Bali Residences and Bandar Baru Merlimau, the ratio of residential properties to shops in terms of units is 103:46, 244:44, 830:18 and 84:161 respectively

7.4 SALES AND MARKETING

We have a dedicated sales and marketing team to undertake sales activities of our property development business, and this team has 2 primary objectives, i.e. to promote the sale of our properties to prospective buyers, and to build and foster the relationship with buyers through follow-up calls and/or marketing events. The sales and marketing teams are based in our head office in Batu Berendam, Melaka or at the sales gallery of our projects to promote our new property launches.

Our sales and marketing team is also involved in determining marketing strategies of the proposed development concepts, taking into consideration future supply and demand, market segment and product marketability. Thereafter, our sales and marketing team will implement the marketing strategies, which involve the preparation of sales and marketing materials and kits, selling and marketing of our properties at our showrooms and engagement with external property sales agencies, if required.

7. BUSINESS OVERVIEW (Cont'd)**Our sales and marketing strategies**

Our sales and marketing team deploys the following mediums to increase awareness of our brand and to market our projects:

(i) Trade exhibitions and roadshows

We participate in trade exhibitions and roadshows relating to the property market. We believe that the participation in these trade exhibitions and roadshows enhances our brand visibility as it enables us to showcase our completed, on-going and future projects. Additionally, such participation also provides us with significant opportunities to meet potential property buyers, and stay updated on the market demand for residential properties and shops as well as competitor pricing.

The following are examples of the trade exhibitions and roadshows that our Group has participated in over FYE 2017 to 2019, FPE 2020 and up to LPD:

Event Name	Location	Organiser	Date
Malaysia Property Expo	Melaka	Persatuan Hartanah Perumahan	Pemaju dan March, July and October 2017 June, August and October 2018
Expo Jualan Rumah Khas untuk Bumiputera	Melaka	Persatuan Hartanah Perumahan	Pemaju dan January 2018
Melaka Home Ownership Campaign	Melaka	Persatuan Pemaju Hartanah dan Perumahan and PS Trade Fair Management	March 2019 and November 2019
Home and Property Fair	Melaka	PS Trade Fair Management, Kenlink Group Sdn Bhd and T&A Success Enterprise	July 2019

(ii) Buyer-get-buyer scheme

We have implemented a buyer-get-buyer scheme where existing buyers who successfully refer new buyers to purchase properties with us will be incentivised either by way of cash or rebates off their purchase of our properties.

(iii) Direct approach

Our sales and marketing team secures new sales by engaging potential buyers directly through emails, phone calls and face to face meetings. The potential buyers are identified through our database of existing buyers. Our sales and marketing team will contact these buyers to introduce our new projects.

7. BUSINESS OVERVIEW (Cont'd)

(iv) Digital advertising

We understand that the Internet is an important advertising medium, and the current widespread use of the Internet as a source of information will potentially enhance our market reach and exposure.

Our Group's corporate website, www.teladansetia.com, provides immediate searchable information on our Group which includes detailed information of our completed, on-going and upcoming projects.

Our social media account on Facebook is used as interactive platforms to promote our Group and properties, and interact with our existing and potential buyers.

We also advertise our properties on established online property platforms such as PropertyGuru to market our new projects.

(v) Print and outdoor advertising

We engage in print advertisements and advertorials in local newspapers in Melaka such as The Star, City Explorer, Berita Harian, China Press and Sin Chew Daily. Furthermore, we also utilise outdoor media such as advertising billboards and banners in Melaka to advertise our new projects.

(vi) Mobile trucks

We rent promotional mobile trucks to promote the awareness of our company and our projects. These mobile trucks serve as a mobile sales gallery where there is some space to display our banners, to put tables and chairs for discussions with potential buyers as well as to display a smaller scale miniature model of our projects inside the truck. We usually select areas with high foot traffic such as commercial areas for our sales and marketing team as well as appointed property sales agencies to distribute property brochures and kits as well as to engage with potential buyers.

(vii) Property sales agencies

For additional support in sales and marketing, we may engage property sales agencies to sell and market our high-rise residential properties and selected landed properties. As at LPD, we have 6 appointed property sales agencies to carry out our sales and marketing activities.

We will provide the necessary sales and marketing materials to our property sales agent to facilitate their sales and marketing activities. Our property sales agencies are entitled to pre-agreed commission rates ranging from 3% to 5% of the total property sales value.

Whilst external property sales agencies may be engaged to support our sales and marketing efforts, we primarily adopt a direct-to-customer sales strategy by training and equipping our internal sales and marketing team to sell units directly to buyers. This allows us to get to know our buyers to attain a better understanding of their requirements, which serves as a feedback mechanism to us for continuous improvement to our design development of our future projects.

7. BUSINESS OVERVIEW (Cont'd)

Additional incentives for unsold units

For our unsold property units, our sales and marketing team will engage in continuous sales and marketing activities to attract potential buyers. In addition, we will offer incentives for the unsold completed properties to buyers:

- (i) For unsold completed residential property units, we will offer incentives in the form of cash incentives and/or legal fees to be borne by us; and

The cash incentives will be offset against the downpayment amount which is subject to the loan financing margin to be obtained by buyers. This eases the initial cash burden on the buyers.

- (ii) For unsold completed shops, we will offer incentives in the form of cash incentives and/or legal fees to be borne by us as well as the option to participate in our easy own campaign.

Our easy own campaign involves renting our unsold completed shops to potential buyers for a period of 1 year at the prevailing market rental rates with an option to purchase the shop; or to stop or extend the rental period under the scheme after 1 year. If the potential buyer opts to purchase the shop after 1 year, the rental amount paid for the period of 1 year will be offset against the downpayment required for the purchase. This campaign began in late 2019. The rental income is recognised as other income. If the potential buyer opts to purchase the property, they pay the difference between the aggregate rental paid and the purchase price of the property, which will be recorded as revenue. If not, the option lapses.

As the tenancy is separate from the option, the potential buyer may continue renting the property or terminate the tenancy. For avoidance of doubt, the termination of the tenancy or option will not accord any refund of the rentals previously paid by the tenants, except for any deposits placed with respect to the respective tenancy agreements.

Our easy own campaign gives potential buyers more time to secure financing to purchase our shops. Together with our incentives (i.e. cash incentives and/or legal fees to be borne by us), it lowers upfront commitment for our buyers, and further lessens the financial burden on our buyers.

Assessment of our unsold completed shop units vis-à-vis the property overhang situation in Melaka and our sales strategy in relation thereto

In comparison with the property market in Melaka, according to the IMR Report, despite the rise of oversupply issue in the property market in Malaysia, Melaka is one of the states that recorded a relatively low number of overhang residential units at 926 units as at the third quarter of 2020, as compared to the national average of overhang residential units at 3,450 units per state. However, the shops market in Melaka has seen a relatively high oversupply of shop units at 735 units as at the third quarter of 2020, ranking second among the states in Malaysia with highest number of overhang shop units and overhang shop units in Melaka are mostly concentrated in Central Melaka District. Despite the high oversupply of shop units, we believe that our unsold completed shop units are still attractive to potential buyers due to the following:

7. BUSINESS OVERVIEW (Cont'd)

- (a) We continue to promote the unsold completed shop units through our incentives (i.e. cash incentives and/or legal fees to be borne by us) as described above;
- (b) The average selling prices (net of all discounts) of our shop offices in Taman Seri Tuah Permai of RM501,896, Bandar Baru Merlimau of RM309,752 and Taman Bertam Putra (Phase 1) of RM470,146 are all below the average price per shop in Melaka of RM516,187 as at the third quarter of 2020 as stated in the IMR Report; and
- (c) We have 23 unsold completed shop offices in Taman Seri Tuah Permai and 9 units in Bandar Baru Merlimau. This makes up half of our unsold completed shop office being located outside of Central Melaka District, the district with the highest overhang of shop units. According to the IMR Report, out of the 735 units of overhang shop units, 552 units were in Central Melaka District, followed by Alor Gajah District (127 units) and Jasin District (56 units). Taman Seri Tuah Permai is located in Alor Gajah District within close proximity to the airport, industrial areas and social amenities such as Batu Berendam Airport, Batu Berendam Free Trade Zone, Krubong Industrial Park, Universiti Teknikal Malaysia Melaka and Melaka International Trade Centre, while Bandar Baru Merlimau is located in Jasin District within close proximity to social amenities such as Politeknik Merlimau and a mosque. The economic activities within close proximity to Taman Seri Tuah Permai and Bandar Baru Merlimau are expected to drive demand for retail activities in the surrounding areas and hence driving demand for more shop property units.

Although our 29 unsold completed shop offices in Taman Bertam Putra (Phase 1) are located in the Central Melaka District, these shop offices are situated close to the border of Central Melaka District and Alor Gajah District, and Taman Bertam Putra (Phase 1) is a newly developed neighbourhood. Phase 1 of Taman Bertam Putra was completed in December 2018 while Taman Desa Bertam (Phase 1A and 1B), which is located next to Taman Bertam Putra (Phase 1), was completed in July 2019. As more residents move into the area, we expect increase in retail activities and this is expected to drive the demand for our completed shop offices in Taman Bertam Putra (Phase 1).

If we are unable to sell our remaining unsold shops, we will not be able to recognise revenue from the unsold units and it will negatively impact our Group's revenue. Nevertheless, our Group is cautious of the increasing overhang of shops in Melaka and has also taken into consideration the competition, consumer demand and marketability of the properties in the area or surrounding areas as part of our site evaluation factors before purchasing any land for future development. Please refer to Section 7.2.4 for further information on our site selection and land acquisition process. Hence, we have put on hold the development of Phase 2 of Taman Bertam Putra which comprises 36 units of shop office. We also do not have any immediate plans to develop shops in the near future. As such, we do not plan to commence the development of Taman Bertam Putra (Phase 2) until such time where we deem the project feasible, or alternatives become available. For our on-going Bali Residences project located in the Central Melaka District, we continue to promote the remaining unsold 11 retail shops and attract potential buyers with cash incentives and/or legal fees to be borne by us, and easy own campaign. Moving forward, if the overhang of shop properties in the area of our land for future developments become more serious, it may limit the types of properties we can develop as we will avoid shop units in our development projects.

7. BUSINESS OVERVIEW (Cont'd)

7.5 MAJOR CUSTOMERS

Our customers are individual buyers or companies who generally purchase one or a small number of units. We were not dependent on any single customer during the financial years/period under review.

7.6 MAJOR SUPPLIERS

Our main suppliers primarily comprise the main contractors appointed to construct our projects, and other professional consultants such as architects and engineers to assist in our development operations. We also appoint property sales agencies to sell and market our high-rise residential properties and selected landed properties.

Our appointment of these contractors and/or professional consultants varies year to year through tenders by invitation, depending on the requirements of our projects in a particular year. We select our contractors and/or consultants depending on the specific needs of our projects, which include, amongst others, the quality and pricing of the products or services supplied, financial strength and the track record of the contractors and/or consultants. The contribution towards GDC from our contractors and/or consultants in each financial years/period depends on the stages of completion of our respective projects and the amount of costs incurred with them in that particular financial year. We have major suppliers who are both new and long-serving. Although an existing relationship with our Group may be an indication that the contractor may meet our Group's expectation, it is not a determining factor. In certain instances, contractors with shorter or no relationship with our Group were selected as they provided the most competitive quote with relevant experience as well as a good track record.

As a property developer, we are involved in the day-to-day management and implementation of our projects. We supervise the construction and building works to ensure that building standards are adhered to, and we also monitor the progress of the projects to ensure that the projects are completed on time, within budget and meets our standard of quality and requirements.

Our top 5 suppliers for FYE 2017 to 2019 and FPE 2020 are as follows:

No	Name	Purchase value		Products and services purchased	Length of relationship
		RM'000	%		
FPE 2020					
1.	Titan Ritz Sdn Bhd	36,366	56.0	Construction services	2 years
2.	TKK Structures Sdn Bhd	6,965	10.7	Construction services	4 years
3.	SST Bina Jaya Sdn Bhd	5,121	7.9	Construction services	2 years
4.	TYT Builders Sdn Bhd	3,756	5.8	Construction services	11 years
5.	Target Heights Sdn Bhd	2,997	4.6	Construction services	1 year
		55,205	85.1		

7. BUSINESS OVERVIEW (Cont'd)

No	Name	Purchase value		Products and services purchased	Length of relationship
		RM'000	%		
FYE 2019					
1.	Titan Ritz Sdn Bhd	31,652	25.2	Construction services	1 year
2.	MLCL Construction Sdn Bhd	28,353	22.6	Construction services	14 years
3.	TKK Structures Sdn Bhd	23,382	18.6	Construction services	3 years
4.	Kesutra Sdn Bhd	5,537	4.4	Construction services	5 years
5.	SST Bina Jaya Sdn Bhd	3,944	3.1	Construction services	1 year
		92,868	74.0		
FYE 2018					
1.	MLCL Construction Sdn Bhd	33,398	23.8	Construction services	13 years
2.	TYT Builders Sdn Bhd	32,421	23.1	Construction services	9 years
3.	Pocon Construction Sdn Bhd	10,881	7.8	Construction services	14 years
4.	Tan Heng Chew Building Contractor Sdn Bhd	10,563	7.5	Construction services	15 years
5.	Kesutra Sdn Bhd	6,898	4.9	Construction services	4 years
		94,161	67.1		
FYE 2017					
1.	TYT Builders Sdn Bhd	161,018	79.3	Construction services	8 years
2.	Tan Heng Chew Building Contractor Sdn Bhd	7,172	3.5	Construction services	14 years
3.	TKK Structures Sdn Bhd	6,252	3.1	Construction services	1 year
4.	Pocon Construction Sdn Bhd	5,118	2.5	Construction services	13 years
5.	Leng Construction Works Sdn Bhd	2,726	1.3	Construction services	7 years
		182,286	89.7		

Our Group is not dependent on any single contractor or professional consultant as we are able to source alternative contractors and/or professional consultants, if required.

Nevertheless, our Group has established a long-standing relationship with several of these major suppliers as our Group believes that these relationships forged will be beneficial to our development and cost efficiency.

We have not entered into any long term agreement with our main contractors as the supply contracts are usually on project to project basis which cover the requirements and duration of the relevant projects.

7. BUSINESS OVERVIEW (Cont'd)

7.7 SEASONAL OR CYCLICAL EFFECTS

Generally, our property development business is not subject to any seasonality or cyclicity.

7.8 TECHNOLOGIES USED

The nature of our business does not require us to directly utilise relevant technologies in our operations.

7.9 QUALITY CONTROL PROCEDURES AND MANAGEMENT

We place great emphasis on developing quality properties for our buyers. In order to maintain our quality standards, our project team implements strict quality assurance procedures at various stages of our projects. These procedures include (i) the selection and appointment of experienced and reliable contractors and professional consultants through a robust selection process that will evaluate these potential contractors and professional consultants against our criteria such as track record, quality, pricing and timeliness; (ii) careful evaluation of architectural design concepts in line with current market trends; (iii) close supervision of the construction progress and project timeline; (iv) frequent quality and safety checks carried out by our project teams; and (v) stringent requirements on craftsmanship and interior fittings.

As part of our continuous efforts in ensuring quality products, we carefully select suitable, proven and good quality construction materials. During the process of development planning, we will prepare a detailed site layout plan which comprises each component in the development site such as the residential or commercial buildings, amenities, infrastructure and common area landscaping. The design, structures and specifications of each component will also be included in the detailed development plan. In addition, the types, brands and quality of construction materials to be used for the construction of our projects will also be detailed in our tender document as our requirements to contractors. However, sourcing of the construction materials will be undertaken by our contractors.

We also implement rigorous controls during construction. Samples and test reports are submitted to us for approval prior to commencement of any physical construction work. Where required, installation of mock-ups are insisted upon and inspected by us before any full installation is allowed. Site inspections are regularly carried out to ensure that the expected level of quality is met and representatives from our team of professional consultants and contractors also convene meetings on a monthly basis to keep abreast of the progress of the project as well as to resolve any issues. We also keep abreast of the development of new and innovative construction materials that we can utilise in our projects, which may be of better aesthetic and performance quality.

Further, since 2017, we require our main contractors to participate in QLASSIC assessments upon completion of the construction works for our projects by funding the cost of the assessment on behalf of our main contractors, to further endorse our workmanship quality based on these approved standards. The assessments enable the quality of workmanship between construction projects to be objectively compared through a scoring system. For the QLASSIC assessment, the construction elements that need to be assessed are determined through a sampling and statistical approach. These samples are distributed evenly throughout the projects and the assessment samples are then selected from drawings and plans for the construction.

7. BUSINESS OVERVIEW (Cont'd)

QLASSIC is issued by the CIDB. QLASSIC covers 4 components of assessment, namely structural works, architectural works, M&E works, and external works and the weightages are allocated according to the different categories of buildings.

In March 2018, Bandar Baru Merlimau is our first project which was assessed with QLASSIC, and obtained a score of 70%.

According to CIDB, the QLASSIC average score for a total of 293 assessed projects in 2019 is 73.10%. In 2019, our contractors achieved an average scoring of 70% in respect of their construction works undertaken for our projects.

Moving forward, we intend to continue to require our main contractors to participate in QLASSIC assessments as a continuous effort to endorse our emphasis on the workmanship of our projects.

7.10 RESEARCH AND DEVELOPMENT

Our principal activities are focused on property development, and hence, scientific and/or technical research and development is not relevant to our operations.

7.11 COMPETITIVE STRENGTHS

7.11.1 We have a sizeable pipeline of on-going and future development projects

As at LPD, we have 3 on-going projects and 3 future projects with total GDV of RM623.0 million and RM995.2 million respectively which will be recognised progressively into our revenue up to FYE 2024 based on the expected progress of each project.

The breakdown of billed and unbilled portion for on-going projects as at LPD is as follows:

	Sold		Unsold	Total
	Billed	Unbilled		
	(RM million)			
Taman Desa Bertam (Phase 2)	27.1	77.4	38.6	143.1
Taman Desa Bertam (Phase 3A)	3.0	49.1	82.3	134.4
Taman Belimbing Setia (Phase 2B)	18.3	6.6	1.0	25.9
Bali Residences	109.1	123.3	87.2	319.6
Total	157.5	256.4	209.1	623.0

Despite the Covid-19 and MCO situation, our sales have not been discouraging, and there were only 6 cancellations up to LPD. As such, we still plan to launch Taman Desa Bertam Phase 3B and 4 within FYE 2021 which we expect to complete by FYE 2023.

7.11.2 We have sizeable landbank in Melaka and Selangor for future developments

We have approximately 73.9 acres of undeveloped landbank, of which 69.7 acres are located in Melaka and 4.9 acres are located in Selangor for future developments as at LPD, and are in the process of acquiring another 145.2 acres. Most of our landbank are located within close proximity to our completed and/or on-going projects, commercial areas and established townships which we foresee to have potential for future projects. With our proven track record in Melaka, we believe that we are well-positioned to capitalise on the growth of the property market in Melaka in the future with the availability of our landbank. Please refer to Section 7.11.3 for further information on our track record in Melaka.

7. BUSINESS OVERVIEW (Cont'd)

We aim to acquire landbank within close proximity to our completed and/or on-going projects based on the market acceptance of our completed and/or on-going projects. We believe that future developments in these landbank will receive positive market acceptance based on the past performances of market acceptance of our completed and/or on-going projects.

7.11.3 We have a proven track record in Melaka with our ability to attract property buyers

We have built a track record of approximately 24 years as a property developer in Melaka since 1997, with our first project completed in 1999. We have demonstrated that from the start of our property development business up to LPD, we have successfully completed 14 residential projects and 6 mixed development projects in Melaka. The majority of our completed projects have received positive market acceptance based on the percentage of properties sold. For further details of the market acceptance of our projects, please refer to Section 7.2.2.

The percentage of sales of our completed projects since 2016 and on-going as at LPD are as follows:

Project	Year completed	Percentage of property units sold as at LPD (%)
Completed		
Taman Bertam Putra (Phase 1)	May 2019	⁽¹⁾ 87.7
Taman Cheng Setia (Phase 1 to 6)	November 2018	99.5
Atlantis Residences	April 2018	97.3
Bandar Baru Merlimau	March 2018	96.3
Taman Bertam Setia (Phase 1A to 5)	November 2020	99.7
Taman Desa Idaman (Phase 1A to 3)	February 2017	99.6
Taman Desa Bertam (Phase 1A, 1B and 1C)	June 2020	99.2
Taman Seri Tuah Permai	February 2016	⁽²⁾ 76.9
On-going		
Taman Desa Bertam (Phase 2)	On-going	78.4
Taman Desa Bertam (Phase 3A)	On-going	35.3
Taman Belimbing Setia (Phase 2B)	On-going	95.3
Bali Residences	On-going	79.5

Notes:

- ⁽¹⁾ Unsold completed units at Taman Bertam Putra (Phase 1) consist of 29 units of shop offices, 1 unit of 2 storey terrace house, 4 lots of bungalow land and 1 units of flat.
- ⁽²⁾ Unsold completed units at Taman Seri Tuah Permai consist of 23 units of shop offices and 1 lot of commercial land

Out of a total of 5,169 completed units from the above projects, we sold 18 units to the foreigners, representing 0.3% of the total completed units. Our total sales to the foreigners represent 0.7% of the total GDV of the completed projects.

7. BUSINESS OVERVIEW (Cont'd)

The positive reception towards our projects in Melaka is primarily due to:

- (i) Our reputation over the past 24 years as a property developer in Melaka, which translates into market visibility and brand awareness to attract prospective buyers for the properties that we develop in the future;
- (ii) Our experience provides prospective buyers with some level of confidence in our ability to complete and deliver our properties; and
- (iii) Our commitment towards delivering quality properties to our buyers.

Having 24 years of experience as a property developer in Melaka, we have honed our understanding of our buyers' demand for properties and enhanced our ability to attract more buyers for our properties. In addition, based on our experience, our understanding of market demands and the feedback received from our buyers over the years, we are able to optimise and improve the functionality and sustainability of the properties through the use of quality building materials, fixtures and fittings for our properties.

Our long standing experience as a property developer in Melaka together with our proven track record provide us strong references and the credentials to support our future expansion and growth.

7.11.4 We have an experienced and hands-on key senior management

We have an experienced management team headed by our Managing Director, Teo Lay Ban and Executive Director, Sia Ah Piew who respectively have approximately 24 years and 25 years of experience in the property development industry and in-depth knowledge of our operations. They are supported by our key senior management from various departments.

Their presence and leadership within our Group helps to ensure smooth internal operations and sound business decision making. At the same time, the key senior management also comprises a balanced mix of experienced personnel and young personnel, some of which are being groomed for future leadership positions as part of our internal succession plans.

We believe that our directors and key senior management, with their knowledge and understanding of the industry enhanced through experience, and coupled with cohesion between them, will help sustain our business and provide the platform for future growth. Our Group has benefitted from their leadership, along with their network of business contacts built throughout the years of working in the property development industry.

7.12 FUTURE PLANS AND PROSPECTS

Our business objectives are to maintain sustainable growth in our business and create long-term shareholder value. As at LPD, our future business growth will be attained organically and we do not have any planned acquisition of companies and/or businesses. To achieve our business objectives, we will implement the following future plans over a period of 12 to 36 months from the date of our Listing. It should be noted that the Covid-19 and MCO situation has caused delays in our projects, as disclosed in Section 7.2.5. However, this has not deterred our future plans at this juncture.

7. BUSINESS OVERVIEW (Cont'd)**7.12.1 We intend to further strengthen our market presence as an established residential and mixed development property developer in Melaka with a focus on landed residential properties**

We have been a property developer in Melaka for 24 years since the commencement of our business with all of our projects located in Melaka. We intend to further strengthen our market presence as a property developer in Melaka by leveraging on the following:

- (i) The positive market acceptance of our projects;
- (ii) Our long standing and extensive knowledge and experience with the economic prospects in Melaka;
- (iii) Our understanding of the residential property and shop market in Melaka; and

Our focus on developing landed residential properties and further strengthening our presence in Melaka and not other states is based on our market presence as discussed above, our undeveloped landbank as set out in Section 7.2.2 (d) which is in close proximity to our completed and on-going projects.

We plan to leverage on the abovementioned to further strengthen our market presence as an established property developer in Melaka to:

(i) Complete the development of on-going projects and increase our portfolio of property development projects in Melaka

As at LPD, all of our on-going residential property and mixed development projects undertaken by us are located within Melaka and mostly comprise landed residential properties, which include:

Project	Type of project	Expected date of completion
Taman Belimbing Setia (Phase 2B), Mukim Belimbing, Melaka	Residential	February 2021
Bali Residences, Kota Syahbandar, Melaka	Mixed development	December 2021
Taman Desa Bertam (Phase 2)	Residential	March 2022
Taman Desa Bertam (Phase 3A)	Residential	June 2022

The completion of these on-going projects will increase our portfolio of residential and mixed development properties for sale in Melaka and ensure that we continue to recognise revenue from property development until completion of these projects. It will also strengthen our position in the development of residential and mixed development projects in Melaka, in line with our plan to further strengthen our market presence as an established property developer in Melaka.

7. BUSINESS OVERVIEW (Cont'd)**(ii) Commence the development of future projects**

Our future projects will continue to focus on landed residential property developments in Melaka. We plan to commence the development of the following future projects:

Project	Type of project	Expected date of commencement
Taman Desa Bertam (Phase 3B)	Residential	Third quarter of 2021
Taman Desa Bertam (Phase 4)	Residential	Third quarter of 2021
Taman Bertam Heights (Phase 1A and 1B)	Residential	Fourth quarter of 2021
Taman Bertam Heights (Phase 2A and 2B)	Residential	Fourth quarter 2022

We have allocated RM33.1 million from the proceeds of the Public Issue to partly finance our projects above. Please refer to Section 4.9 for details of the utilisation of these proceeds.

Notwithstanding the MCO currently in effect, we believe that the situation is temporary, and in the long term, there will be continuous demand for residential properties in Melaka after taking into consideration the following data reported by the IMR:

- (i) The increasing value of property transactions for residential properties and shops in Melaka, which reached RM3.22 billion in 2019 from RM2.51 billion in 2016, (notwithstanding the relatively lower RM1.82 billion of property transactions in the third quarter of 2020), as reported by the IMR, which is driven mainly by the increase in transaction volume for higher-priced properties, and is an indicator of increasing demand for properties;
- (ii) Growth in Melaka's population, showing a CAGR of 1.10% (2016-2019) and increased GDP per capita showing a CAGR of 3.92% (2016-2019); and
- (iii) Low overhang of residential units at 926 units compared to the national average of 3,450 units per state in the third quarter of 2020, despite an increase in supply from 220,348 units in 2016 to 252,243 in the third quarter of 2020 in Melaka.

7.12.2 We intend to expand our business through the acquisition of landbank for future projects in Melaka

We intend to expand our business of property development in Melaka through acquisition of landbank for future projects that meet the demand of the residential and commercial property market in Melaka.

The continued development of our residential and mixed development projects is supported by the positive market acceptance of our projects, our long standing and extensive knowledge and experience with the economic prospects in Melaka.

In this regard, we intend to acquire more landbank for the purpose of future projects in Melaka. We intend to identify potential sites within close proximity to our completed and/or on-going projects based on the market acceptance of these completed and/or on-going projects. We believe that future development projects in these landbank will receive positive market acceptance based on the past performance of the market acceptance of our completed and/or on-going projects.

7. BUSINESS OVERVIEW (Cont'd)

To this end, we have allocated RM35.0 million from the proceeds of the Public Issue for acquisition of landbank in Melaka for our future development. Please refer to Section 4.9 for details of the utilisation of these proceeds. Where appropriate, we will also explore potential joint ventures to develop and/or invest in land in Melaka by leveraging on the background and financial standing of suitable partners and our expertise and experience built up over the years, to undertake more projects.

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8. IMR REPORT

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SMITH ZANDER

Date: 23 January 2021

The Board of Directors

Teladan Setia Group Berhad

No. 8 & 10, Ground Floor,
Jalan Mutiara Melaka 2,
Taman Mutiara Melaka,
Batu Berendam,
75350 Melaka

Dear Sirs/ Madam,

Independent Market Research Report on the Residential Property and Shop Market in Melaka (“IMR Report”)

This IMR Report has been prepared by SMITH ZANDER INTERNATIONAL SDN BHD (“SMITH ZANDER”) for inclusion in the Prospectus in conjunction with the listing of Teladan Setia Group Berhad on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The objective of this IMR Report is to provide an independent view of the industry and market(s) in which Teladan Setia Group Berhad and its subsidiaries (“Teladan Setia Group” or “the Group”) operate and to offer a clear understanding of the industry and market dynamics. As the Group is principally involved in the property development business in Melaka, the scope of work for this IMR Report will thus address the following areas:

- (i) The residential property and shop market in Melaka, which is the market in which Teladan Setia Group is mainly involved in;
- (ii) The market drivers, risks and challenges;
- (iii) The competitive landscape; and
- (iv) Outlook and prospects.

The research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research when required, which involves discussing the status of the industry with leading industry participants and industry experts. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in business, industry and economic conditions.

SMITH ZANDER has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this IMR Report presents a balanced view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an “overall industry” perspective and may not necessarily reflect the performance of individual companies in this IMR Report. SMITH ZANDER shall not be held responsible for the decisions and/or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in this report.

For and on behalf of SMITH ZANDER:



DENNIS TAN
MANAGING PARTNER

8. IMR REPORT (Cont'd)

SMITH ZANDER

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The research for this IMR Report was completed on 23 January 2021.

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About SMITH ZANDER INTERNATIONAL SDN BHD

SMITH ZANDER is a professional independent market research company based in Kuala Lumpur, Malaysia, offering market research, industry intelligence and strategy consulting solutions. SMITH ZANDER is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other fund-raising and corporate exercises.

Profile of the signing partner, Dennis Tan Tze Wen

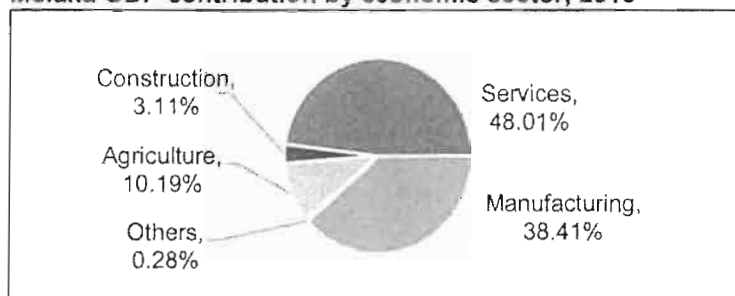
Dennis Tan is the Managing Partner of SMITH ZANDER. Dennis Tan has 23 years of experience in market research and strategy consulting, including over 18 years in independent market research and due diligence studies for capital markets throughout the Asia Pacific region. Dennis Tan has a Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada.

8. IMR REPORT (Cont'd)**SMITH ZANDER****1 THE RESIDENTIAL PROPERTY AND SHOP MARKET IN MELAKA****Introduction****Overview of Melaka****Melaka GDP and GDP growth rate, 2016 – 2019**

	2016	2017	2018	2019
GDP (RM billion)	37.71	40.83	42.41	43.61
Year-on-year ("YOY") growth rate (%)	-	8.27	3.87	2.83

Sources: Department of Statistics Malaysia ("DOSM"), SMITH ZANDER analysis

Melaka's gross domestic product ("GDP") increased at a compounded annual growth rate ("CAGR") of 4.96% from RM37.71 billion in 2016 to RM43.61 billion in 2019, while its contribution to Malaysia's GDP has remained stable at an average of 3.10% during the same period.

Melaka GDP contribution by economic sector, 2019

Sources: DOSM, SMITH ZANDER analysis food and beverage.

The economy of Melaka is largely based on the services sector and the manufacturing sector. In 2019, the services sector and the manufacturing sector contributed 48.01% and 38.41% respectively to the state's GDP, followed by agriculture, construction and other economic activities. The GDP contribution from the services sector includes tourism expenditure in Melaka which comprises spending on, amongst others, accommodation, transportation and

Melaka was declared as a World Heritage Site by the United Nations Educational, Scientific and Cultural Organisation ("UNESCO") in 2008. It is rich in historical and cultural attractions comprising historical places and buildings, museums, theatre shows, natural attractions, zoo and wildlife parks, theme parks, night markets, street art and local food. This has resulted in Melaka being a popular travel destination for domestic and international tourists. The success of Melaka as a popular travel destination is also due to its strategic location where it is located near Kuala Lumpur and other cities in Negeri Sembilan and Johor as well as Singapore, and it can be easily accessed from these cities. However, any sudden crisis, such as the outbreak of the Covid-19 pandemic since early 2020, will dampen tourism activities in Melaka. Any prolonged dampening in tourism activities, even after the movement restrictions imposed by the Government (i.e. Movement Control Order ("MCO"), conditional MCO ("CMCO") and recovery MCO ("RMCO")) are lifted, and until the impact of the Covid-19 pandemic fully subsides, will adversely impact economic activities in Melaka which may lead to loss of businesses and jobs, pay cuts or lower salary growth and increase in unemployment rate. All of these may subsequently reduce consumer purchasing power, including the purchase of properties. Please refer to Section 2 for further information on the Key Market Drivers and Key Market Risks and Challenges.

Melaka is also a location for local and international meetings, incentives, conventions and exhibitions ("MICE"). Among the major MICE events that had taken place in Melaka in 2019 include international conferences by International Academy of Science, Technology, Engineering and Management, Megahome Electrical and Home Fair, and Matta Fair. In addition, Melaka is a destination for medical tourism as there are several hospitals in Melaka that offer medical tourism facilities as registered under the Malaysia Healthcare Travel Council ("MHTC"). In 2019, there were 1.30 million medical tourists in Malaysia, which contributed a revenue of approximately RM1.70 billion¹.

Apart from the thriving tourism market, Melaka has also witnessed high contribution from the manufacturing sector (i.e. 38.41% in 2019) to the state's GDP. There are multiple industrial parks in Melaka that cater to manufacturing activities by local and foreign manufacturers. Among the well-known local home-grown companies who have established their manufacturing facilities in Melaka include Mamee-Double Decker (M) Sdn Bhd in Ayer Keroh Industrial Estate and Julie's Manufacturing Sdn Bhd in Alor Gajah Industrial Estate.

Apart from the local home-grown manufacturers, Melaka also experienced growth from foreign investment inflow as international companies have setup or expanded their manufacturing facilities in Melaka, including:

- Ansell N.P. Sdn Bhd, part of Ansell Ltd headquartered in Australia which is involved in the manufacturing of protective industrial and medical gloves, with a manufacturing plant in Ayer Keroh Industrial Estate; and

¹ Source: MHTC

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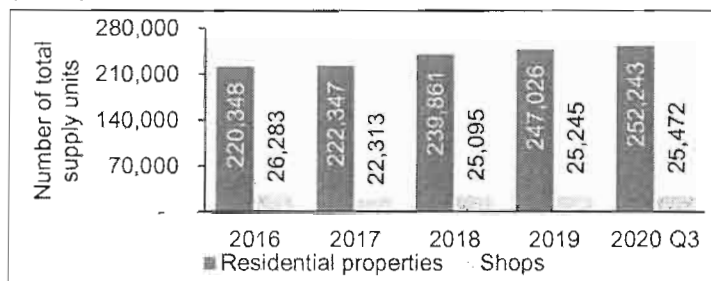
- Xinyi Solar (Malaysia) Sdn Bhd, part of Xinyi Glass Holdings Limited, a China-based company listed on the Hong Kong Stock Exchange involved in the manufacturing of glass for automotive, electronics and industrial use, with a manufacturing plant in Elkay Industrial Park.

Melaka continues to be a preferred destination for tourism activities and manufacturing investments as demonstrated by the high GDP contribution from the services sector and manufacturing sector. As such, the continuing growth in these sectors will continue to drive Melaka's economy.

Residential property and shop market in Melaka

In Melaka, there are several types of residential property including landed property such as terrace houses, semi-detached houses and bungalows; as well as low rise and high rise property such as townhouses, flats, condominiums and serviced apartments. For commercial property, it includes shops, purpose-built offices, shopping complexes and Shop office/ Home office ("SoHo"). As Teladan Setia Group is involved in the development of residential properties and mixed developments covering shops, the data presented in this IMR Report cover all types of residential property, and shops only amongst the other types of commercial property.

Total supply of properties in Melaka, 2016 – third quarter ("Q3") of 2020



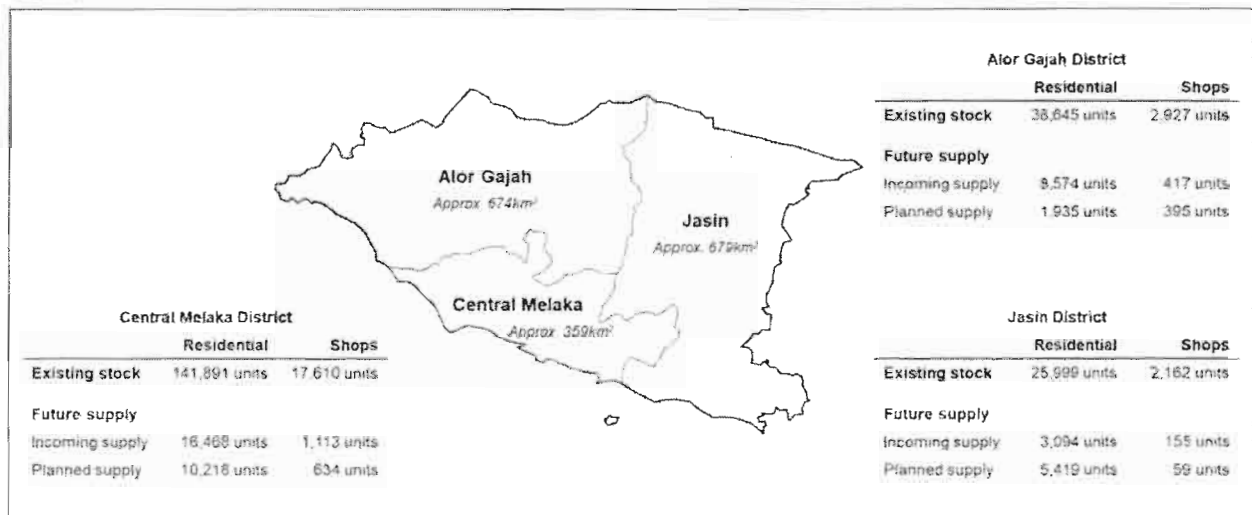
From 2016 to 2019, the total supply of residential properties increased from 220,348 units to 247,026 units at a CAGR of 3.88%, while the total supply of shops decreased from 26,283 units to 25,245 units at a negative CAGR of 1.33%.

There was a decline of 15.10% in the supply of shops in 2017. The slowdown in the supply of shops may be attributed to the high overhang of shops in 2016 of 647 units, which had caused developers to be more cautious and to slow down the launch of shop properties over the subsequent years.

Sources: National Property Information Centre ("NAPIC"), SMITH ZANDER analysis

As at Q3 of 2020, Melaka registered a total supply of 252,243 units of residential properties, comprising an existing stock² of 206,535 units and future supply³ of 45,708 units; as well as a total supply of 25,472 units of shops, comprising 22,699 completed units and future supply of 2,773 units.

The supply conditions of residential property and shops by district in Melaka as at Q3 of 2020 is as shown below:



Sources: NAPIC, DOSM, SMITH ZANDER analysis

² Existing stock refers to total stock of all completed sold and unsold properties in the market that have received Certificate of Completion and Compliance ("CCC").

³ Future supply comprises incoming supply and planned supply. Incoming supply refers to total number of properties in the market that are currently under construction; whereas planned supply refers to total number of properties where building plans have been approved but construction works are yet to commence.

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Property density for existing stock (per every km²), Q3 2020

District	Residential	Shops
Central Melaka	395 units	49 units
Alor Gajah	57 units	4 units
Jasin	38 units	3 units

With a land area of approximately 359 square kilometres ("km²"), Central Melaka has the highest density for residential and shop units, with approximately 395 units and 49 units of residential property and shops respectively per every km² as at Q3 of 2020.

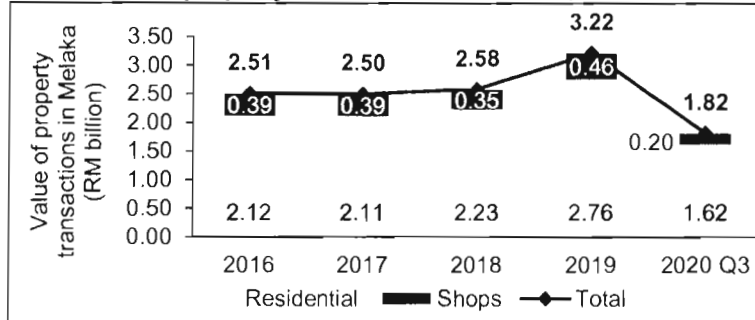
Sources: NAPIC, DOSM, SMITH ZANDER analysis

Market Size and Performance

As Teladan Setia Group is involved in the development of residential and mixed property projects in Melaka, this section will cover the residential and commercial (particularly shops) property market in Melaka.

The performance of the residential property and shop market in Melaka, measured by the value of property transactions (including both primary and secondary markets), increased from RM2.51 billion in 2016 to RM3.22 billion in 2019 at a CAGR of 8.66%. As at Q3 of 2020, the value of property transacted was RM1.82 billion as compared to RM2.37 billion as at Q3 of 2019, recording a decrease of 23.21% mainly due to the adverse economic impact as a result of the Covid-19 pandemic.

Total value of property transactions in Melaka, 2016 – Q3 2020

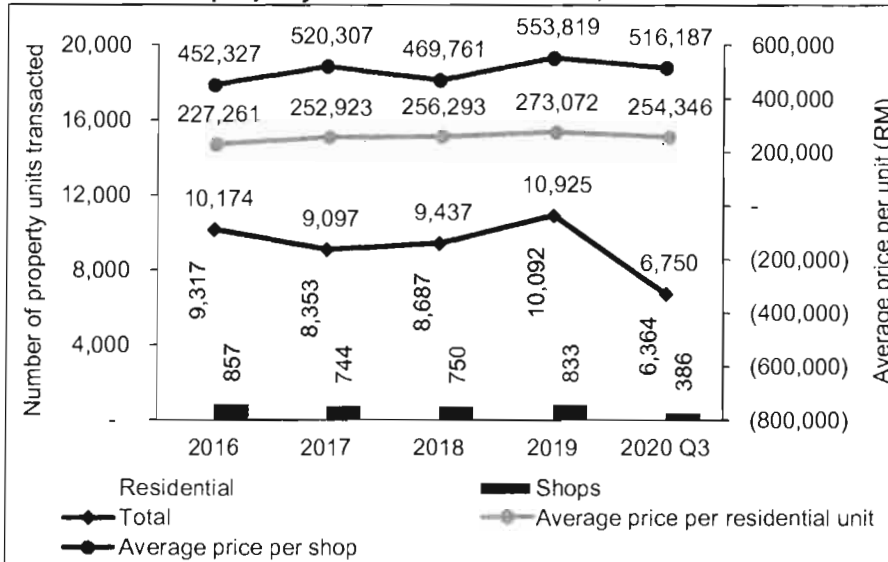


During the period from 2016 to 2019, transactions in the residential property segment increased from RM2.12 billion to RM2.76 billion at a CAGR of 9.19%, and transactions for shop units recorded a CAGR of 5.66%.

As at Q3 of 2020, the total value of property transactions was RM1.82 billion, denominated by transactions for residential properties at 89.01% (RM1.62 billion), while the remaining 10.99% (RM0.20 billion) was recorded for transactions for shops.

Sources: NAPIC, SMITH ZANDER analysis

Total number of property transactions in Melaka, 2016 – Q3 2020



From 2016 to 2019, the number of property transactions in Melaka increased from 10,174 units to 10,925 units at a CAGR of 2.40%.

The lower growth rate in number of property transactions as compared to the value of property transactions shows that the average property price per transaction was higher. Between 2016 and 2019, the average price of a residential unit in Melaka increased from RM227,261 to RM273,072 and the average price of a shop increased from RM452,327

Sources: NAPIC, SMITH ZANDER analysis to RM553,819.

Due to the adverse economic impact as a result of the Covid-19 pandemic, the total number of properties transacted as at Q3 of 2020 only reached 61.78% of the total number of properties transacted in 2019. Further, the average prices per residential unit and per shop as at the Q3 of 2020 decreased by 6.86% to RM254,346 and 6.80% to RM516,187 respectively as compared to the average prices in 2019.

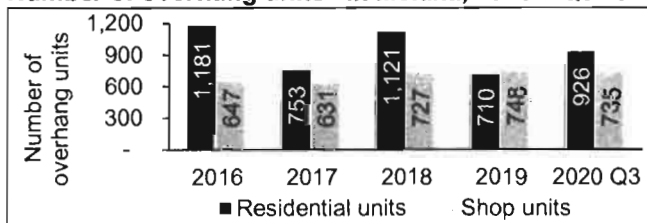
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In 2019, there was a YOY increase of 24.81% and 15.77% in Melaka’s total value of property transactions and total number of property transactions respectively. This was attributed to the introduction of the National Home Ownership Campaign (“HOC”) by the Government under Budget 2019 to boost home ownership among Malaysians and to reduce overhang residential units, whereby discounts and stamp duty exemptions were given to residential properties in the primary market sold between 1 January 2019 and 31 December 2019. Further, the Government also offered stamp duty exemptions for the first RM300,000 of the property price to first-time Malaysian home-buyers who purchased residential properties below RM300,000 from 1 January 2019 to 31 December 2020, or residential properties between RM300,001 and RM500,000 between 1 July 2019 and 31 December 2020 (“Stamp Duty Exemption”).

Due to the outbreak of the Covid-19 pandemic since early 2020, Malaysia recorded a 5.60% YOY decline in GDP in 2020, indicating adverse economic conditions for the year which may have negatively impacted the overall demand for properties. Nevertheless, Bank Negara Malaysia (“BNM”) announced several measures to mitigate the economic impact of the Covid-19 pandemic such as the reduction of the Overnight Policy Rate (“OPR”) by a total of 100 basis points to 1.75 percent between 3 March 2020 and 7 July 2020, as well as a deferment of all loan/financing repayments for a period of 6 months, with effect from 1 April 2020 (“6 months Loan Deferment”) to ease the cash flow of individuals and small and medium-sized enterprises (“SMEs”). Further, the Government also reintroduced the HOC for residential properties purchased between 1 June 2020 and 31 May 2021. Please refer to the next section on Key Drivers, Risk and Challenges for further information.

Number of overhang units^a in Melaka, 2016 – Q3 2020



The total number of overhang residential and shop units in Melaka decreased by 20.24% from 1,828 units in 2016 to 1,458 units in 2019, contributed by the decrease in overhang residential units. The number of overhang residential units in Melaka decreased by 39.88% from 1,181 units in 2016 to 710 units in 2019 due to the increase in number of property transactions driven by the National HOC and Stamp Duty Exemption initiatives. The number of overhang shop units in Melaka increased by 15.61% from 647 units in 2016 to 748 units in 2019.

Note:

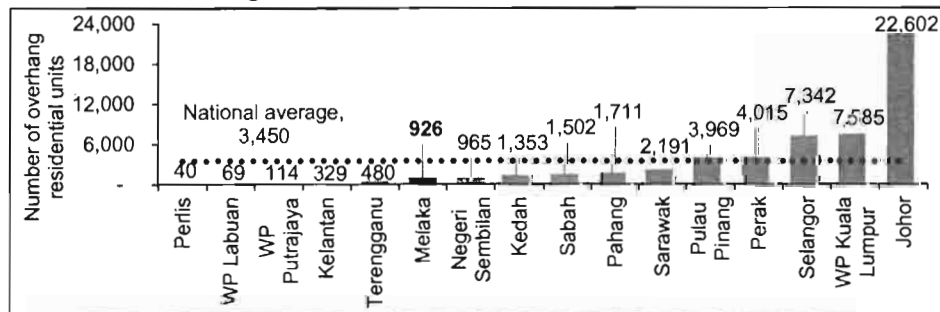
^a According to NAPIC, overhang units are completed units with CCC in the review period but remained unsold for more than 9 months since the issuance of CCC.

As at Q3 of 2020, there were 1,661 units of overhang residential and shop units in Melaka.

Sources: NAPIC, SMITH ZANDER analysis

Residential properties and shops transacted come from the pool of existing stock, incoming supply and/or planned supply. Existing stock is the total stock of all completed sold and unsold residential and shop units in the market that have received CCC, therefore overhang units are included in the existing stock supply. Hence, despite an increase in the number of overhang units, transactions of residential and shop units may still record positive growth, contributed by sales transacted through the secondary market, sale of new units completed with CCC within 9 months of completion, and sale of incoming supply and/or planned supply.

Number of overhang residential units by states, Q3 2020



Despite the rise in oversupply in the property market in Malaysia, Melaka is one of the states that recorded a relatively low number of overhang residential units at 926 units as at Q3 of 2020, as compared to the national average of overhang residential units at 3,450 units per state.

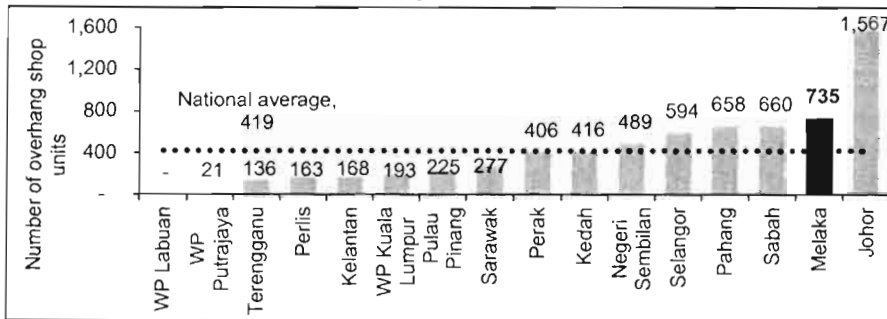
Sources: NAPIC, SMITH ZANDER analysis

Out of the 926 units of overhang residential units in Melaka as at Q3 of 2020, 2 to 3 storey terrace houses accounted for 320 units, followed by serviced apartments (187 units), condominiums/ apartments (119 units), 2 to 3 storey semi-detached houses (109 units), single storey terrace houses (76 units), detached houses (54 units), single-storey semi-detached houses (29 units), flats (19 units) and cluster houses (13 units).

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Number of overhang shop units by states, Q3 2020



Sources: NAPIC, SMITH ZANDER analysis

Nevertheless, the shops market in Melaka has seen a relatively high oversupply at 735 units as at Q3 of 2020, ranking second among the states in Malaysia with highest number of overhang shop units. Out of the 735 units, 552 units were in Central Melaka District, followed by Alor Gajah District (127 units) and Jasin District (56 units).

The oversupply of shop units is attributed to various factors including relatively higher pricing, usage of the property and demand for shops which is influenced by economic conditions in Melaka, property location, suitability to conduct business, commercial value and potential capital appreciation. Based on the average transaction price of shops, they are generally pricier than residential properties. Hence, higher purchasing power is required to purchase shops as compared to residential properties. In addition, overhang shop units in Melaka are mostly concentrated in Central Melaka District, and some of these shops may have been built in anticipation of the potential spill-over benefits of any future developments nearby.

In 2020, in view of the slowdown in economic activities, the demand for properties in Melaka has been affected by weaker consumer purchasing power which led to an increase in overhang residential units in Melaka as at Q3 of 2020 as compared to 2019. However, the overhang shop units in Melaka recorded a slight decrease of 13 units as at Q3 of 2020 as compared to 2019.

2 MARKET DRIVERS, RISKS AND CHALLENGES

Key Market Drivers

► **Economic growth signifies growth opportunities in the property market in Melaka**

From 2016 to 2019, Melaka's GDP increased from RM37.71 billion to RM43.61 billion at a CAGR of 4.96%, which is slightly higher than the growth of Malaysia's GDP at a CAGR of 4.90%, from RM1.23 trillion to RM1.42 trillion, during the same period⁴. Melaka's economy is driven by the services and manufacturing sectors, where both sectors collectively contributed 86.42% to the state's GDP in 2019. The continuing growth and development of these sectors will consequently contribute to the growth of Melaka's economy. As at Q3 of 2020, Melaka attracted RM1.20 billion in total approved manufacturing investments, with domestic investments accounting for RM617.30 million (51.43%) and foreign direct investments ("FDI") accounting for RM583.00 million (48.57%).⁵ Examples of the recently announced local and foreign expansions and/or investments and developments in Melaka are as follows:

- Melaka Waterfront Economic Zone ("M-WEZ"), an approximately RM100 billion new economic corridor project including port facilities, oil and gas industry services hub and tourism facilities, amongst others, spanning 15,000 acres of sea reclamation area across a 22km stretch from Umbai to Tanjung Bruas. It is targeted to position Melaka as an international investment and business destination, thereby contributing positively to Melaka's economy. M-WEZ was first announced in August 2020 and it comprises multiple short-, medium- and long-term plans from 2020 to 2035; and
- Gansu Amin Bio Halal Gelatine Co Ltd, a China-based halal gelatin producer, plans to invest around RM1 billion to setup a manufacturing plant in Melaka. This plan was announced in August 2018 and the latest status of this investment is not publicly available.

Business expansion and/or investments in Melaka are expected to contribute to the growth in Melaka's overall economy. The increase in economic activity leads to improved employment rates, increased disposable income among the population and increased earnings by businesses and companies. All of these may consequently drive the demand for residential and commercial properties in Melaka.

Nevertheless, due to the Covid-19 pandemic, Malaysia recorded a 5.60% YOY decline in GDP in 2020, indicating adverse economic conditions for the year which may have negatively impacted the overall demand

⁴ Source: DOSM

⁵ Source: Malaysian Investment Development Authority

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for properties. To mitigate the economic impact of the Covid-19 pandemic, BNM announced a reduction of OPR by a total of 100 basis points to 1.75 percent between 3 March 2020 and 7 July 2020, as well as a 6 months Loan Deferment to ease the cash flow of individuals and SMEs as part of an economic stimulus package known as package prihatin. Further, under a short-term economic recovery plan known as PENJANA, the HOC has been reintroduced for residential properties purchased between 1 June 2020 and 31 May 2021, and the 70% margin of financing limit applicable for a home-buyer's third housing loan onwards for properties priced RM600,000 and above will be uplifted during the HOC period. Additionally, as announced under Budget 2021, full stamp duty exemptions will be provided to first-time Malaysian home-buyers who purchase residential properties priced RM500,000 and below between 1 January 2021 and 31 December 2025. All of these are expected to support the demand for residential properties in Melaka.

► **Tourism activities drive the demand for properties in Melaka**

Melaka is a popular tourist destination because of its historical and cultural tourist attractions. Other than leisure travel, Melaka is also a destination for business and medical travel. Between 2016 and 2019, Melaka recorded an increase in domestic visitor arrivals by 13.94% from 12.27 million domestic visitors to 13.98 million domestic visitors⁶.

As homestays are gaining traction as an alternative for accommodation for tourists, the increase in tourism activities is expected to drive the demand for properties in Melaka. Homestays are residential units which are furnished and equipped with the necessary utilities for short term stay. With the increasing availability of online booking platforms, listing and booking homestay as an alternative accommodation for tourists becomes increasingly convenient. This encourages investments in residential properties as property owners have new sources of rental income through short term stays instead of relying on long term rentals.

Melaka's tourism market is expected to be continuously driven by its existing and new tourism attractions. New developments such as Encore Melaka Theatre, a theatre with a 360-degree rotating seat platform in Impression City that features cultural theatre performances is expected to attract more visitors to Melaka. Further, another upcoming tourism development, namely Malaysia Tourism City located in Kuala Linggi is planned to be built with the world's first Hasbro-themed water theme park, together with an adventure park and a weekend market called Luasempit. Luasempit Weekend Market was initially planned to be launched in September 2020 but has been delayed due to the Covid-19 pandemic, and the actual launching date is not publicly available. This project aims to boost Melaka's tourism market by increasing tourist arrivals and extending their overnight stays. The demand for accommodation for overnight stays will consequently drive the property market in Melaka. Additionally, to drive the state's tourism industry, the Melaka state government has launched a tourism mobile application (i.e. Melaka eXcess) that covers a wide variety of tourism information including attractions, accommodations, food and tours.

Due to the outbreak of the Covid-19 pandemic, the Government has imposed movement restrictions throughout Malaysia (i.e. MCO from 18 March 2020 to 3 May 2020, CMCO from 4 May 2020 to 9 June 2020 and RMCO from 10 June 2020 to 31 March 2021⁷) to curb the spread of the virus which has halted tourism activities in Melaka. Further, Melaka was re-imposed with CMCO from 9 November 2020 to 20 November 2020, and MCO from 13 January 2021 to 18 February 2021, due to the resurgence of Covid-19 cases. While all of these are expected to temporarily dampen tourism activities in Melaka, Melaka remains an attractive tourist destination and tourism activities are expected to resume when the pandemic subsides. However, any prolonged dampening in tourism activities, even after all the movement restrictions are lifted, and until the impact of the Covid-19 pandemic fully subsides, will adversely impact economic activities in Melaka which may lead to loss of businesses and jobs, pay cuts or lower salary growth and increase in unemployment rate. All of these may subsequently reduce consumer purchasing power, including the purchase of properties.

► **Growing population drives demand for housing**

Another key indicator that drives the demand for residential property is the demand for housing arising from the growth in population. Between 2016 and 2019, Melaka's population grew from 0.90 million to 0.93 million at a CAGR of 1.10%. Further, from 2016 to 2019, the workforce in Melaka increased from 0.40 million to 0.43 million at a CAGR of 2.44%, and the GDP per capita in Melaka increased from RM41,852 to RM46,976 at a CAGR of 3.92%⁸, signifying a growing population with financial ability to purchase and/or invest in properties, thus leading to increase in demand for residential properties in Melaka.

⁶ Source: DOSM

⁷ The nationwide RMCO was superseded by the re-imposed MCO and CMCO at targeted states and federal territories for different durations, depending on the severity of Covid-19 infections.

⁸ Sources: DOSM, SMITH ZANDER analysis

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Key Market Risks and Challenges

► **The completion and quality of development projects are dependent on the services of contractors**

Property developers who do not have their own construction arm will engage third party contractors to carry out construction activities for their development projects, including preparation of sites, sourcing raw materials, construction and finishing works as well as on-going project management of construction progress. However, property developers are ultimately responsible for the completion and quality of the construction work which will influence the overall quality of their projects.

Despite formal agreements signed with contractors, property developers may experience project delays, cost overruns and/or poor quality work attributed to contractors due to poor project management, insufficient resources and/or poor quality control procedures. Sudden crisis such as the outbreak of Covid-19 may temporarily disrupt the supply chain of construction materials, or force construction work to stop due to mandatory temporary closure of operations imposed by the Government to contain the spread of the Covid-19 virus, and this could also result in unexpected delays in the completion of development projects.

In addition, contractors are also subject to rules and regulations governed by regulatory bodies such as the Construction Industry Development Board Malaysia ("CIDB") and the Immigration Department of Malaysia in relation to safety measures and employment of foreign workers respectively. The non-compliance of these rules and regulations may lead to safety hazards on construction sites, poor construction quality and delays in project deliverables, which may lead to financial losses and negatively impact the credibility of property developers.

► **Adverse economic conditions may negatively impact the demand for properties**

The property market is dependent on the state of the economy. As properties are generally long term high value investments which require years of commitment in serving housing loans, the decision to purchase properties is usually made cautiously after taking into consideration various factors including, amongst others, economic conditions, property prices, market sentiment, development outlook of the property location as well as interest rates of housing loans.

Any changes to Malaysia's economic conditions that affect consumer purchasing power may consequently boost or dampen the demand for properties. A growing economy signifies a wealthier population with higher purchasing power including making high value investments such as purchasing properties. Conversely, a decline in economic conditions, such as the prolonged effect of the Covid-19 pandemic, may lead to loss of businesses and jobs, pay cuts or lower salary growth, increase in unemployment rates, and reduce consumer purchasing power where consumers may be more prudent in making investment decisions, especially investing in high value assets such as properties. Any prolonged adverse economic situations may also lead to higher property price competition which may subsequently put pressure on sellers to adjust property prices downward or offer more discounts/ rebates in order to secure sales.

► **Unfavourable changes in Government policies may affect property sales**

The property market is subject to Government policies in Malaysia. Any adverse changes in Government policies in relation to the property market, such as the introduction of minimum purchase price of properties for foreigners, could adversely affect the sale of residential properties. For example, the minimum purchase price of residential properties in Melaka for foreigners is RM500,000 for properties with strata title and RM1 million for properties with individual title⁹. Any increase in these minimum purchase prices may reduce the attractiveness of properties to foreigners, and may eventually affect the sale of residential properties in Melaka. In addition, the changes in OPR by BNM may affect the interest rates for housing loans, which will subsequently impact the total purchasing cost of properties, and this may eventually affect market sentiment and demand for residential properties.

3 COMPETITIVE LANDSCAPE

The property market in Melaka is competitive due to the large number of industry players that compete in this space. Industry players may be involved in the development of various types of buildings/developments such as residential, commercial, industrial, mixed, infrastructure and social amenities. Teladan Setia Group competes with industry players who are involved in the development of residential properties and mixed developments, specifically in Melaka, which is the Group's current area of focus.

⁹ Source: Melaka Land and Mineral Office (Pejabat Tanah dan Galian Melaka)

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Key Industry Players

As Teladan Setia Group is principally involved in the property development business in Melaka, the key industry players who are the closest competitors to the Group have been identified on the following basis for selection:

- Companies that are involved in the development of residential properties in Melaka. These companies may also be involved in the development of other type(s) of properties in Melaka;
- Companies with on-going residential property development project(s), and/or completed residential property development project(s) between 2017 and 2019, in Melaka; and
- Companies with more than RM30 million revenue based on their respective latest available financial years.

The information on the key industry players is as follows:

Company Name	Principal business activities	Geographical coverage of property development business	Types of development	Examples of on-going and/or completed residential property development projects between 2017 and 2019 in Melaka	Latest available financial year	Revenue* (RM million)	Gross profit margin (%)	Profit/(Loss) after tax margin (%)	Price-to-book ratio (times) ^b
Scientex Quatari Sdn Bhd (a subsidiary of Scientex Berhad)	Investment holding, property investment and property development	- Melaka - Johor - Selangor - Perak - Penang	- Residential - Commercial - Industrial - Mixed	- The Heights Residence - Scientex Durian Tunggal	31 Jul 2019	888.42	40.70	24.39	-
MB World Group Berhad	Property development and building construction	- Melaka - Johor	- Residential - Commercial - Mixed	- NOVO 8 Residence	31 Dec 2019	337.57	40.21	16.09	- ^c
Teladan Setia Group	Property development	- Melaka	- Residential - Mixed	- Taman Desa Bertam (Phase 1C) - Taman Belimbing Setia - Taman Bertam Setia - Bali Residences	31 Dec 2019	232.99	34.57	18.63	1.12 ^d
Parkland Residence Sdn Bhd	Property development	- Melaka	- Residential	- Parkland Residence Sungai Melaka	30 Jun 2019 ^e	194.39	37.65	23.79	-
GJH Holdings Sdn Bhd	Property development and building and infrastructure construction	- Melaka - Negeri Sembilan - Johor	- Residential - Mixed	- Taman Paya Rumput Perdana - Taman Anjung Gapam (Phase 1 and 2)	31 Dec 2019	152.54	26.95	9.08	-
Parkland City Sdn Bhd	Property development	- Melaka - Johor - Negeri Sembilan - Selangor	- Residential - Commercial - Mixed	- Taman Sungai Rambai Putra (Phase 1) - Taman Pandan Jaya - Taman Muhibbah 8B	30 Jun 2019	122.12	36.80	20.34	-
PDG Development Sdn Bhd	Property development	- Melaka	- Residential - Industrial	- Taman Ozana Residence	31 Aug 2019	87.47	53.81	32.84	-
Gromutual Berhad	Property development and property investment and management	- Melaka - Johor	- Residential - Commercial - Industrial - Mixed	- Taman Padang Sebang Indah - Taman Tangga Batu Perdana	31 Dec 2019	58.89	53.19	19.44	0.26

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Company Name	Principal business activities	Geographical coverage of property development business	Types of development	Examples of on-going and/or completed residential property development projects between 2017 and 2019 in Melaka	Latest available financial year	Revenue* (RM million)	Gross profit margin (%)	Profit/(Loss) after tax margin (%)	Price-to-book ratio (times) ^b
Wawasan Intact Properties Sdn Bhd	Property development	- Melaka - Johor	- Residential - Mixed	- Taman Merlimau Permai	31 Dec 2019	52.51	41.11	19.56	-
Bukit Kenyalang Development Sdn Bhd	Property development	- Melaka - Negeri Sembilan	- Residential - Commercial - Mixed	- Taman Merlimau Pasir - Taman Juasseh Sentosa (Phase 1)	31 Dec 2019	44.62	19.17	13.48	-
Yong Tai Berhad	Property development and property investment	- Melaka - Kuala Lumpur	- Residential - Commercial - Mixed	- The Apple - Amber Cove	30 Jun 2020	42.61	(51.75)	(104.68)	0.64
Potensi Lestari Sdn Bhd	Property development	- Melaka	- Residential - Mixed	- Sri Melaka Residensi	31 Dec 2019	42.42	20.76	4.01	-

Notes:

- Latest available as at 23 January 2021.
 - The key industry players were identified by SMITH ZANDER based on the basis for selection mentioned above (concerned by Teladan Setia Group) and sources available, such as the internet, published documents and industry directories. However, there may be companies that have no online and/or published media presence, or are operating with minimal public advertisement, and hence SMITH ZANDER is unable to state conclusively that the list of industry players is exhaustive.
 - a. Revenue may be derived from other businesses, from states outside Melaka, or from countries outside Malaysia, as segmental revenue is not publicly available from the Companies Commission of Malaysia.
 - b. Applicable to key industry players listed on Bursa Malaysia with market prices available. Calculated based on the market price (RM) as at 22 January 2021 divided by net asset per share (RM) based on their respective latest audited financial statements.
 - c. Price-to-book ratio is not available as MB World Group Berhad was delisted from Bursa Malaysia effective 11 September 2020.
 - d. Calculated based on the listing price (RM) divided by the enlarged share capital upon the listing of Teladan Setia Group Berhad on the ACE Market of Bursa Malaysia.
 - e. Financial reporting period of 15 months from 1 April 2018 to 30 June 2019 due to the change of financial year end from 31 March to 30 June.
- Sources: Real Estate and Housing Developers' Association Malaysia (Melaka Branch), Teladan Setia Group, various companies' annual reports and websites, Companies Commission of Malaysia, SMITH ZANDER analysis

Apart from the above companies incorporated in Malaysia, there is also a Malaysian property developer with a foreign-incorporated holding company (with subsidiaries that are actively involved in property development in Melaka), and as such, is deemed as a competitor to Teladan Setia Group:

Company Name	Principal business activities	Geographical coverage of property development business	Types of development	Examples of on-going and/or completed residential property development project between 2017 and 2019 in Melaka	Latest available financial year	Revenue* (RM million)	Gross profit margin (%)	Profit after tax margin (%)	Price-to-book ratio (times) ^b
Hatten Land Limited (a public listed company on Singapore Exchange)	Property development	- Melaka - Negeri Sembilan - Selangor	- Residential - Commercial - Mixed	- Satori Serviced Residences - Imperio Residence	30 Jun 2020	109.45	22.87	(209.90)	2.13

Notes:

- Latest available as at 23 January 2021.
 - a. Revenue may be derived from other states outside Melaka, as segmental revenue is not publicly available from the annual report.
 - b. Calculated based on the market price (RM) as at 22 January 2021 divided by net asset per share (RM) based on the latest audited financial statement.
- Sources: Company's annual report and website, SMITH ZANDER analysis

8. IMR REPORT (Cont'd)

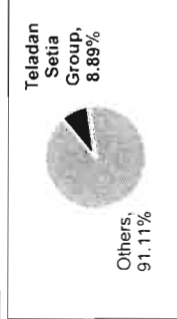
SMITH ZANDER

Market Share

As Teladan Setia Group is involved in the development of residential properties comprising single and up to 3 storey terrace houses, single and up to 3 storey semi-detached houses, detached houses and serviced apartments; and shops comprising single and up to 2½ storey shops and shop units/retail units, the market shares of the Group are computed against the transaction value and transaction volume of property segments that the Group is involved in, comprising residential properties (i.e. single and up to 3 storey terrace houses, single and up to 3 storey semi-detached houses, detached houses, condominium, apartments and serviced apartments) and shops (i.e. single and up to 2½ storey shops and shop units/retail units) in Melaka ("the Group's Property Segments").

Market share in Melaka by value of transaction, 2019

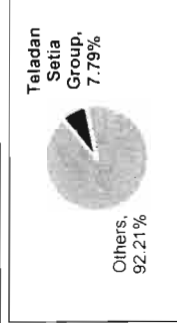
Teladan Setia Group recorded a market share of 8.89% based on its revenue of RM232.99 million for the financial year ended ("FYE") 31 December 2019 derived from the sale of its residential properties and shops, computed against the total transaction value of properties in the Group's Property Segments of RM2.62 billion in 2019.



Sources: NAPIC, Teladan Setia Group, SMITH ZANDER analysis

Market share in Melaka by volume of transaction, 2019

Teladan Setia Group recorded a market share of 7.79% based on its number of residential properties and shops sold of 670 units for the FYE 31 December 2019, computed against the total transaction volume of properties in the Group's Property Segments of 8,600 units in 2019.



Sources: NAPIC, Teladan Setia Group, SMITH ZANDER analysis

4 OUTLOOK AND PROSPECTS

Despite positive historical growth in the value of property transactions in Melaka from 2016 to 2019, the residential property and shop market in Melaka is expected to experience slower demand in the near future, premised on the slowdown in economic activities in view of the outbreak of the Covid-19 pandemic since early 2020. This is demonstrated by the decrease in value of property transaction as at Q3 of 2020 as compared to the same period in 2019. Further, Malaysia recorded a 5.60% YOY decline in GDP in 2020, indicating adverse economic conditions for the year. The imposition of movement restrictions throughout Malaysia to curb the spread of the Covid-19 virus has affected property development, construction and tourism activities in Melaka. Further, the dampening in tourism activities, even after the movement restrictions are lifted, and until the impact of the outbreak of the Covid-19 virus fully subsides, may adversely impact economic activities in Melaka which may lead to loss of businesses and jobs, pay cuts or lower salary growth rate and increase in unemployment rate. All of these may subsequently reduce consumer purchasing power, including the purchase of properties.

Nevertheless, BNM had announced several measures to mitigate the economic impact of Covid-19 pandemic such as the reduction of OPR by a total of 100 basis points to 1.75 percent between 3 March 2020 and 7 July 2020, as well as a 6 months Loan Deferment to ease the cash flow of individuals and SMEs as part of an economic stimulus package known as package prihatIn. Further, under a short-term economic recovery plan known as PENJANA, the HOC has been reintroduced for residential properties purchased between 1 June 2020 and 31 May 2021, and the 70% margin of financing limit applicable for a home-buyer's third housing loan onwards for properties priced RM600,000 and above will be uplifted during the HOC period. Additionally, as announced under Budget 2021, full stamp duty exemptions will be provided to first-time Malaysian home-buyers who purchase residential properties priced RM500,000 and below between 1 January 2021 and 31 December 2025. Since the outbreak of the Covid-19 pandemic is unprecedented, the extent of the uncertainties caused to the property market is not clear at this point in time until the movement restrictions are fully uplifted or until the pandemic subsides. Hence, while there will still be properties transacted in Melaka, the demand may slow down in the near future until the economic condition improves.

9. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

9.1 RISKS RELATING TO OUR BUSINESS AND OUR OPERATIONS

9.1.1 We are subject to the prevailing market conditions in the property market in Malaysia and specifically, in Melaka

As most of our property development projects are located in Melaka, we are dependent on the prevailing market conditions of the property market in Malaysia and specifically, in Melaka, for the sales performance of our properties as well as the development planning of our future projects. The performance of the property market and value of properties in Malaysia and Melaka are affected by amongst others, the supply and demand of properties, rate of economic growth, interest rates, inflation as well as introduction of regulatory measures to curb speculative investments in the property market in Malaysia. Other factors beyond our control such as changes in political environment or sudden outbreak of diseases (e.g. the outbreak of the Covid-19 virus in early 2020) may also impact the economic activities in Malaysia and Melaka. For example, on 3 March 2020, BNM announced a reduction of 25 basis points in the overnight policy rate to 2.5%, a further reduction of 50 basis points to 2.0% on 5 May 2020 and a further reduction of 25 basis points to 1.75% on 7 July 2020, marking it as the lowest in the past decade, which could encourage market sentiment. Based on BNM's latest quarterly bulletin for 4Q 2020, Malaysia recorded a 5.6% year-on-year decline in its gross domestic product.

All these factors may adversely impact the employment market and consumers' purchasing power causing consumers to be more cautious of their spending and investments which may subsequently affect the demand for properties. We have observed that the Covid-19 and MCO situation in particular has brought about discussions and focus on layoffs and wage cuts, amongst others. We have not made any such adjustments, but cannot guarantee the same should the situation persist. Any slowdown of the property market arising from situations like these may adversely affect the performance of the property market and value of properties in Malaysia.

There can be no assurance that the Malaysian economy will continue to grow, value of properties will not be affected, interest rates or inflation will not rise and consumer spending power will not be affected in the future to support the demand for properties. Any introduction of regulatory measures which dampen consumer sentiment or cause declines in value of properties may adversely affect our development planning decisions which include the types of property to develop and selling price of the properties, or may cause a delay in the timing of the launch of our planned property development projects, and ultimately will adversely affect our Group's business, cash flow and sales performance.

9.1.2 We are affected by the outbreak of Covid-19 and the MCO

The outbreak of the Covid-19 virus has spread to many countries around the world, which has disrupted the production and delivery of supplies such as construction materials due to the inactivity caused by the orders such as the MCO, or limitations on the transportation as governments around the world attempt to contain the spread of the Covid-19 virus. Nonetheless, there have been no disruptions in supplies reported by our contractors arising from the MCO.

9. RISK FACTORS (Cont'd)

As our revenue is recognised based on the progress of our projects, any limitations to construction activity will similarly affect the recognition of our revenue. As at LPD, the MCO has resulted in delays in the progress of our projects, and will continue to delay so long as the MCO persists. Under the conditional MCO announced on 1 May 2020, we resumed our sales and marketing activities on 4 May 2020. Meanwhile, some of our contractors have reported disruptions in the supply of raw material due to the restrictions in interstate travel. As such, deliverables from these suppliers were delayed.

Our construction activities only resumed on 14 May 2020 following a press release from the Government specifying that the health and safety procedures for foreign labour were to be undertaken by companies operating in Selangor and Kuala Lumpur regions only.

On 23 January 2021, one of our contractors reported that 203 of its foreign workers tested positive for Covid-19, which will disrupt the construction progress of our Bali Residences, due to site closure for approximately 2 weeks from 23 January 2021. Further details of this disruption is set out in Section 7.2.5.

Moving forward, we expect a negative impact to our revenue and consequently our profits due to the delayed recognition of progress from our projects as a result of the Covid-19 and the MCO. If the MCO situation is prolonged, our projects will continue to be affected as long as our contractors are unable to continue working due to any restrictions imposed by the Government, and this may delay the construction completion dates and our property handover dates which may cause us to be subject to potential LAD claims from our customers.

Section 7.2.5 sets out further details of such delays which will potentially impact our revenue and profitability due to our inactivity. At this juncture, we are confident that with our financial strength and brand visibility, we will be able to weather the vagaries arising from the Covid-19 and MCO situation, but we cannot assure the same should the situation change for the worse.

9.1.3 We are exposed to unexpected interruptions or delays in completing a project caused by external factors (including natural disasters or sudden crisis such as outbreak of diseases)

The timely completion of property development projects undertaken by our Group is dependent on many external factors inherent in property development, some of which may be beyond our control including, among others, the timely receipt of required licences, permits or regulatory approvals, availability of construction materials, equipment and labour, availability of financing and appointment of qualified and competent consultants, professionals and contractors to complete the development on time. In addition, delays in the completion of our projects could also arise from environmental factors such as natural disasters like landslides and flooding; and/or sudden crisis such as the outbreak of the Covid-19 virus in countries where our contractors source for supplies. Please refer to Section 9.1.2 above for further details of the risks related to Covid-19.

Any prolonged interruptions or delays in completing a project may result in our property buyers imposing LAD on us which could affect our GDC, volatility in our revenue and profitability as well as cash flows. While we do not have exact back-to-back LAD claim arrangements with our contractors in respect of any LAD claims made by buyers, there are LAD clauses in the respective contractors' contracts which are enforceable by us in the event of any delays directly attributable to the works of the contractors. Such LAD amounts are derived based on the contract sum and thus differ from contract to contract.

9. RISK FACTORS (Cont'd)

In the event of a delay in delivery of vacant possession, LAD claims made by buyers to the Group are calculated daily based on 10% per annum on the purchase price of the buyer's unit. Assuming the delay is caused by a contractor, we may claim LAD from the contractor, which is calculated in various ways depending on the contract. In this respect, our Group's LAD claims from its contractors are usually lower than the buyer's LAD claims from our Group. The difference between these claims is an exposure to our Group and is an inherent risk undertaken by property developers.

For the financial years/period under review and up to LPD, we have paid RM0.8 million in LAD as a result of delay in the completion of the Taman Desa Bertam (Phase 1A and 1B) i.e. late delivery of vacant possession by about a month. The delay was due to longer time taken for earthworks at the beginning of each phase of the project. We do not expect any potential LAD in the near future. At this juncture, we expect to be able to meet the handover timeframes of all our projects.

9.1.4 Our business is capital intensive and depends on our ability to secure adequate financing

As a property developer, we rely on internally generated funds as well as external borrowings such as bank overdrafts, term loans and bridging loans to partially finance our working capital and acquisition of landbank.

If we are unable to secure adequate credit facilities at competitive rates for the abovementioned requirements, our cash flows, operations, growth and expansion plans will be adversely affected. There is also a risk of simultaneous demand for immediate repayment on our outstanding short term credit facilities, and tightening of loan facilities due to deteriorating market conditions arising from economic, financial, political and other reasons.

If the call back on our callable credit facilities (i.e. bank overdrafts) take place, this would have a material adverse effect on our cash flows, working capital and in turn, will have a material effect on our Group's financial performance and prospects.

Socio-economic conditions which are negatively affected, such as by the Covid-19 and MCO, may cause lenders to be more cautious in lending as businesses are expected to be affected by the dampened consumer sentiment and change in spending habits. Although our borrowings are not affected, we cannot guarantee that they will not be affected should the Covid-19 and MCO situation persist.

Our total bank borrowings as at 30 September 2020 amounted to approximately RM126.3 million. Any significant increase in interest rates on our borrowings will increase our finance cost and adversely affect our profitability and cash flows as well.

9.1.5 We may not be able to acquire suitable landbank to sustain our business operations and financial performance

As a property developer, we rely on our existing landbank as well as our ability to identify and acquire suitable landbank with development potential to deliver sustainable business operations and financial performance. As such, we have to continuously identify and acquire suitable landbank for future development.

As at LPD, our Group has approximately 73.9 acres of land located in Melaka and Selangor held for future developments and is in the process acquiring another 145.2 acres. We estimate that our current landbank is sufficient for us to achieve sustainable revenue and profit at least up to the end of 2024. Please refer to Section 7.2.2 for further information on our landbank.

9. RISK FACTORS (Cont'd)

Notwithstanding the above, there can be no assurance that we will be able to continue to identify and acquire suitable landbank in strategic locations at commercially viable prices or able to secure opportunities to jointly develop land with land owners on commercially viable terms and with good development potential. Failure to do so would impair our ability to launch new property development projects, which in turn is likely to have a material and adverse effect on our Group's business, results of operations and prospects.

9.1.6 We may achieve lower GDV than estimated

We have engaged the Independent Valuer to value our material on-going property development projects. The valuation certificates set out in Section 15 were made on the basis of certain forecasts, projections and conditions of the property market where our developments are located, prevailing at a particular point in time.

These conditions may change over time, as property values are subject to, among others, factors affecting supply of and demand for properties, the rate of economic growth of the country and interest rates. The uncertainties brought about by the Covid-19 situation have dampened market sentiment. Although our present sales remain unaffected and we have not experienced any cancellation in sales, our future launches may be impacted by the change in market sentiment.

The GDV of the property development projects undertaken by our Group are estimated based on market conditions as at the date of valuation of the property development projects and certain assumptions may ultimately prove to not be reflective of the prevailing market conditions at the point of sale of our properties. These assumptions include the demand for our properties and selling prices. Any unfavourable change in the basis of certain forecasts, projections and conditions of the property market may result in our Group not being able to realise our projected GDV and in turn, could have a material adverse impact on our Group's business, results of operations and prospects.

9.1.7 Our Group is dependent on our Executive Directors, key senior management and a highly-skilled and experienced workforce

The success of our Group is dependent on the experience, industry knowledge and network, and skills of our Executive Directors and key senior management. Our Managing Director, Teo Lay Ban and Executive Director, Sia Ah Piew have approximately 24 and 25 years of experience in the property development industry respectively and in-depth knowledge of our operations. Our key senior management comprise individuals who each also have significant relevant experience in the property development industry.

Our Group's success is also dependent on the continued service of our Executive Directors and key senior management. Due to their in-depth knowledge of our operations and experience in the property development industry, they are critical to the overall management and operations of our business and our property development projects, our corporate culture and our strategic direction.

As such, the loss of any Executive Director and any of our key senior management simultaneously or within a short time may create unfavourable or material impact on our Group's operations and the future growth of our business, which may ultimately affect the results of operations, performance and prospects of our Group, if we are not able to replace or attract suitable talents in a timely manner.

Therefore, our ability to attract and retain a highly-skilled and experienced workforce is crucial for our continued success, future business growth and prospects.

9. RISK FACTORS (Cont'd)

9.1.8 We may face unanticipated increase in costs associated with our property development projects

Under the terms of our letters of award and/or construction contracts with our appointed main contractors, the main contractors are responsible for the wages of construction workers and procuring construction materials and equipment required for our property development projects. As such, they will bear the risk of fluctuations in construction cost which comprises building material costs (including fluctuations arising from foreign exchange movements affecting the prices of imported materials) and labour costs.

However, any unforeseen spikes or persistent increase in construction costs may affect our contractors' cash flow and their ability to secure the required resources, if such situations are prolonged. This may affect our contractors' ability to carry out the construction work and may result in delay in the completion of construction works for our property development projects as well as our property delivery and billing schedules, and subsequently adversely affect our reputation in the market, as well as our sales performance and profit margins.

In addition, there can be no assurance that the contractors to be appointed for our future projects will continue to agree to bear the risk of fluctuations in wages and construction material prices. If we fail to secure such contracts in the future, any material increase in such costs may decrease our profit margins from our property development projects, and our results of operations may be materially and adversely affected.

Our cash flows and profitability are dependent upon our ability to accurately estimate the costs associated with our property development projects and manage them throughout the duration of our projects. These costs may be affected by a variety of factors, such as lower/longer than anticipated quality and timely completion of construction works, conditions at the work sites differing materially from what was anticipated prior to the commencement of the construction works, higher costs of construction materials and labour, delay in the availability of financing and political or social disruptions, amongst others.

These variations in costs may cause actual gross profit for a project to differ from those originally estimated and, as a result, certain projects could have lower margins than anticipated, which will adversely affect our profitability, cash flows and results of operations.

Further, unexpected crises such as political crisis, natural disasters and disease outbreaks, amongst others, in the countries of origin for the required supplies may temporarily disrupt the supply chain of construction materials for the construction industry. One such case is the outbreak of Covid-19. Please refer to Section 9.1.2 for further details.

9.1.9 We may be inadequately insured

Our Group is aware of the adverse consequences arising from inadequate insurance coverage given that our Group's operations are vulnerable to general risks such as fire breakouts, flooding and other accidents. There are, however, certain types of losses (such as from wars, acts of terrorism or acts of God) that generally are not insured because they are either uninsurable or not economically insurable. Our Group has insured and/or caused to be insured our material assets including all on-going property development projects under construction and completed properties.

As at LPD, we have the following insurance coverages, which we believe adequately protect us and our employees with respect to its operations in general:

9. RISK FACTORS (Cont'd)

Type of insurance	Sum Assured (RM)
Group personal accident policy	12,234,000
Group medical policy	Up to 70,000 per staff
Money policy	100,000
Burglary policy	70,000
Fire insurance policy	1,200,000
Glass insurance policy	17,000
Public liability insurance policy	500,000 for any one accident

There can be no assurance that these risks will continue to be insurable in the future and/or that the amount insured would cover all the replacement and/or repair costs of these insured assets. Hence, our business may be adversely and materially affected in the event of such occurrences where our losses and liabilities are not covered by insurance.

9.2 RISKS RELATING TO OUR INDUSTRY**9.2.1 We are subject to the risk of unfavourable changes in Government policies affecting the performance of the property market and value of properties**

The property market is subject to Government policies in Malaysia. Any adverse changes in Government policies in relation to the property market such as housing, land and development policies, and prohibition of foreigners in purchasing certain properties in Malaysia could adversely affect the performance of the property market and value of properties in Malaysia.

In addition, any restrictive policy changes by BNM such as upward changes in the overnight policy rate by BNM, which increases interest rates for housing loans, and reduced loan-to-value ratios will subsequently restrict the purchasing ability of buyers. This would likely have a negative impact on consumer sentiment and purchasing power, and dampen overall demand for properties.

There can be no assurance that any future unfavourable changes in Government policies will not adversely affect our Group's business and results of operations in the future.

9.2.2 We are dependent on the services of our contractors for completion and quality of our property development projects

We engage main contractors to carry out construction works. Contractors are selected and appointed based on our selection criteria such as track record, quality, pricing and timeliness and thereafter, we will enter into formal contracts with the selected contractors.

Notwithstanding our arrangements with contractors, we are ultimately responsible for the timely completion and quality of the construction works which will influence the overall quality of our property development projects. Despite entering into formal agreements with our appointed contractors, we may experience delays in completion or poor quality of work attributed to our contractors due to instances such as insufficient resources (i.e. labour, building materials and equipment) and/or fluctuation in the prices of building materials during the course of construction and poor quality workmanship.

In addition, our contractors are also subject to the rules and regulations governed by regulatory bodies such as the CIDB, and the Immigration Department of Malaysia in relation to the employment of foreign workers in the local construction industry. Any non-compliance of these rules and regulations may affect their renewal of relevant registrations or licences and/or may lead to revocation of their registrations or licences. In such an event, these contractors will not be able to continue working for us without valid registrations or licences.

9. RISK FACTORS (Cont'd)

Further, there is no assurance that our contractors will not terminate their contract with us. If our contractors face severe financial and resource restraints, and decide to terminate their services with us, we may not be able to seek alternative sources in a timely manner and/or at the same cost. As a result, our property development projects may be delayed and may have an adverse impact on our Group's ability to handover properties to buyers in a timely manner. While we impose a termination penalty on our contractors, there can be no assurance that we are able to collect the compensation in full, or at all, from our contractors. We may be required to bear some or all of the losses arising from such situations, and this will adversely affect our project delivery schedules, project profitability and reputation in the market. This will in turn have a material impact on our Group's business, results of operations and prospects.

9.2.3 We face competition from other developers in the property development industry, which could adversely affect our business

The property development industry is highly fragmented, and we compete with other developers ranging from small independent firms to larger public listed companies. In particular, the property market in Melaka is competitive due to a large number of industry players. Our competitors may have greater resources than us or have specialised expertise in certain segments.

Competition among developers may intensify, possibly resulting in lower property prices, higher cost of acquiring new landbank, higher cost to attract or retain experienced employees which will then adversely affect our financial performance and prospects.

Therefore, there can be no assurance that we will be able to continuously remain competitive as an established property developer in Melaka and to sustain our competitive edge over the long term.

9.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

9.3.1 No prior market for our Shares

Prior to our Listing, there was no public trading for our Shares. The listing of our Shares on the ACE Market does not guarantee that an active market for our Shares will develop.

There is also no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the ACE Market.

9.3.2 Failure/delay in or termination/abortion of our Listing

Our Listing may be aborted or delayed should any of the following occurs:

- (i) The selected investors fail to subscribe for their portion of our IPO Shares;
- (ii) Our Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligations therein; and
- (iii) We are unable to meet the public shareholding spread requirement set by Bursa Securities, whereby at least 25.0% of our total number of Shares for which listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares upon the completion of our IPO and at the point of our Listing.

9. RISK FACTORS (Cont'd)

If any of these events occur, investors will not receive any Shares and we will return in full without interest, all monies paid in respect of the Application within 14 days, failing which the provisions of Section 243(2) of the CMSA will apply.

If our Listing is aborted and/or terminated, and our Shares have been allotted to the investors, a return of monies to the investors could only be achieved by way of cancellation of share capital as provided under Sections 116 or 117 of the Act and its related rules.

Such cancellation requires the approval of shareholders by special resolution in a general meeting, with sanction of High Court of Malaya or with notice to be sent to the Director General of the Inland Revenue Board and ROC within 7 days of the date of the special resolution and us meeting the solvency requirements under Section 117(3) of the Act.

There can be no assurance that such monies can be recovered within a short period of time in such circumstances.

9.3.3 Volatility of our Share price and volume of our Shares

The trading price and volume of our Shares may fluctuate due to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is also affected by external factors such as the performance of the regional and world bourses, inflow or outflow of foreign funds, 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 Shares.

9.4 OTHER RISKS

9.4.1 Continued control by our Promoters/substantial shareholders

Our Promoters will collectively hold approximately 75.0% of our enlarged share capital upon Listing. Because of the size of their shareholdings, our Promoters will have significant influence on the outcome of certain matters requiring the vote of shareholders unless they are required to abstain from voting by law and/or as required by the relevant authorities.

9.4.2 Forward-looking/prospective statements

Certain statements or expectations or forecasts in this Prospectus are based on historical data which may not be reflective of our future results. Forward-looking statements in this Prospectus are based on assumptions and subject to uncertainties and contingencies.

There can be no assurance that such prospective statements or expectations or forecasts will materialise and actual results may be deviate significantly. Such deviation may have a material and adverse effect on us.

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10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Save for the Acquisition and as disclosed below, there were no transactions, existing and/or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Directors, substantial shareholders and/or persons connected with them which are material to our Group during FYE 2017 to 2019, FPE 2020 and up to LPD:

Related parties	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Value of transactions									
					FYE 2017		FYE 2018		FYE 2019		FPE 2020		1 October 2020 up to LPD	
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Teo Lay Ban	Midas	Teo Lay Ban	Teo Lay Ban is our Promoter, substantial shareholder and Managing Director	Progress billing for the sale of 1 unit of shop office in Taman Bertam Putra (Phase 1) to Teo Lay Ban ⁽¹⁾	168	#	312	0.1 ⁽³⁾	-	-	-	-	-	-
Wee Siew Tein	Midas	Wee Siew Tein	Wee Siew Tein is the spouse of Teo Lay Ban who is our Promoter, substantial shareholder and Managing Director	Progress billing for the sale of 1 unit of shop office in Taman Bertam Putra (Phase 1) to Wee Siew Tein ⁽¹⁾	168	#	312	0.1 ⁽³⁾	-	-	-	-	-	-
Wee Siew Tein	Asal Harta	Wee Siew Tein	Wee Siew Tein is the spouse of Teo Lay Ban who is our Promoter, substantial shareholder and Managing Director	Progress billing for the sale of 2 units of service apartment in Bali Residences to Wee Siew Tein ⁽¹⁾	-	-	-	-	47	#	329	0.4 ⁽³⁾	71	#

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related parties	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Value of transactions									
					FYE 2017 RM'000	% 0.2 ⁽³⁾	FYE 2018 RM'000	%	FYE 2019 RM'000	%	FPE 2020 RM'000	%	1 October 2020 up to LPD RM'000	%
Teo Lay Ban and Wee Siew Tein	Asal Harta	Teo Lay Ban and Wee Siew Tein	Teo Lay Ban is our Promoter, substantial shareholder and Managing Director	Sale of 1 unit of service apartment in Atlantis Residences to Teo Lay Ban and Wee Siew Tein ⁽¹⁾	550		-		-		-		-	
Influx Formula Sdn Bhd	Asal Harta	Teo Lay Ban	Teo Lay Ban is our Promoter, substantial shareholder and Managing Director	Progress billing for the sale of 2 units of service apartment in Bali Residences to Influx Formula Sdn Bhd ⁽¹⁾	-		-		47		328	0.4 ⁽³⁾	70	#
Teo Lay Ban	Teladan Setia	Teo Lay Ban	Teo Lay Ban is our Promoter, substantial shareholder and Managing Director	Acquisition of 2.5% equity interest in Riverwell from Teo Lay Ban	500	N/A	-		-		-		-	
Teo Lay Ban	Teladan Setia	Teo Lay Ban	Teo Lay Ban is our Promoter, substantial shareholder and Managing Director	Disposal of entire investment in Widenote to Teo Lay Ban	-		*	N/A	-		-		-	

10. RELATED PARTY TRANSACTIONS (Cont'd)

Related parties	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Value of transactions									
					FYE 2017		FYE 2018		FYE 2019		FPE 2020		1 October 2020 up to LPD	
					RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Polywell Enterprise	Teladan Setia	Teo Lay Ban, Teo Lay Lee, Teo Siew May and Wan Lei Chin	Teo Lay Lee and Teo Siew May are our Promoter, substantial shareholder and Non-Independent Non-Executive Director	Interest expenses on advances to Teladan Setia ⁽²⁾	458	37.4 ⁽⁴⁾	354	34.9 ⁽⁴⁾	-	-	-	-	-	-
				Repayment of advances by Teladan Setia ⁽²⁾	100	N/A	13,044	N/A	-	-	-	-	-	-
				Acquisition of Polyintan	-	-	-	-	-	-	-	-	(5)1,826	N/A

Notes:

- * Less than RM1,000
- # Less than 0.1% of our revenue for the respective financial years/periods
- N/A Not applicable

⁽¹⁾ The sale of these properties to the related parties were discounted at similar range as our staff discount

10. RELATED PARTY TRANSACTIONS (Cont'd)

- (2) These advances from Polywell Enterprise were used for Teladan Setia's working capital, as Polywell Enterprise was its holding company since 1997 to 2013. A nominal interest rate of 4% per annum was charged on the advance, taking into account our Group's effective interest rates from external financing for the financial years under review, which ranges from 4.61% to 8.57% (for our term loans) and 8.00% to 8.88% (for our bank overdrafts). To date, all advances have been repaid to Polywell Enterprise. Moving forward, we do not expect any new advances from Polywell Enterprise
- (3) As a percentage of our revenue for the respective financial years/periods
- (4) As a percentage of our finance costs for the respective financial years/periods
- (5) Being the cash consideration to be paid for our acquisition of Polyintan. The purchase consideration of Polyintan of RM1.8 million was arrived at after taking into consideration the net liabilities position of Polyintan as at 31 December 2019 of RM5.0 million and a net revaluation surplus of the land held by Polyintan amounting to RM6.8 million. The acquisition is conditional upon obtaining development order for the properties owned by Polyintan. Thereafter, the purchase consideration shall be adjusted in accordance with the then market value of the properties owned by Polyintan. No amount of this consideration has been paid as at LPD

Madam Wee Siew Tein is not a staff member of the Group. As such, transactions with her were not made at arms' length. In future, related party transactions will be subject to the procedures under items (i) and (ii) of Section 10.1 to ensure that they are, among others, made at arms' length. Save for the foregoing, our Directors are of the view that the above related party transactions were conducted on an arm's length basis and on competitive commercial terms not more favourable to the related parties. Additionally, there are no related party transactions that individually may not be material to our Group, but when grouped in a meaningful manner, the aggregate of such transactions would be material to our Group.

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10. RELATED PARTY TRANSACTIONS (Cont'd)

Moving forward, in order to ensure that related party transactions are undertaken on arm's length basis and on normal commercial terms, we have established the following procedures:

(i) Recurrent related party transactions

- (a) At least 2 other contemporaneous transactions with third parties for similar products and/or quantities will be used as comparison, wherever possible, to determine if the price and terms offered by related parties are fair and reasonable and comparable to those offered by other third parties for the same or substantially similar type of products/services and/or quantities; or
- (b) If quotation or comparative pricing from third parties cannot be obtained, the transaction price will be determined by our Group based on those offered by other third parties for substantially similar type of transaction to ensure that the recurrent related party transactions are not detrimental to us.

Our Board shall seek mandate from shareholders to enter into any recurrent related party transactions at a general meeting. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in our ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

(ii) Other related party transactions

- (a) Whether the terms of the related party transaction are fair and on arm's length basis to our Group and would apply on the same basis if the transaction did not involve a related party;
- (b) The rationale for the Group to enter into the related party transaction and the nature of alternative transactions, if any; and
- (c) Whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of the transaction and the nature of the related parties' interest in the transaction.

Where required under the Listing Requirements, a related party transaction may require prior approval of shareholders at a general meeting to be convened. An independent adviser may be appointed to comment as to whether the related party transaction is fair and reasonable insofar as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instances, the independent adviser shall also advise minority shareholders on whether they should vote in favour of the transaction.

For related party transactions that require shareholders' approval, the Directors, major shareholders and/or persons connected with such Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting. The relevant directors who are deemed interested or conflicted in such transactions shall also abstain from our Board deliberations and voting on the Board resolutions relating to these transactions.

10. RELATED PARTY TRANSACTIONS (Cont'd)

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit Committee will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action. If a member of our Audit Committee has an interest in any related party transaction, he is to abstain from participating in the review and approval process in relation to that transaction. Where necessary, our Board would make appropriate disclosures in our annual report with regard to any related party transaction entered into by us.

10.2 OTHER TRANSACTIONS

10.2.1 Transactions entered into that are unusual in their nature or conditions

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for FYE 2017 to 2019, FPE 2020 and up to LPD.

10.2.2 Outstanding loans (including guarantees of any kind)

There were no outstanding loans made by us to or for the benefit of a related party as at LPD.

The late Datuk Teo Poh Boon and Teo Lay Ban had jointly and severally provided personal guarantees for the banking facilities extended by Hong Leong Bank Berhad, Hong Leong Islamic Bank Berhad, United Overseas Bank (Malaysia) Berhad, AmBank (M) Berhad, Public Bank Berhad, CIMB Bank Berhad and Maybank Islamic Bank Berhad ("**Financiers**").

In conjunction with the Listing, we have obtained conditional approval for the release and/or discharge of the guarantees from our Financiers by substituting the same with a corporate guarantee from our Company. Until such release and/or discharge perfected, our Managing Director will continue to guarantee the banking facilities extended to our Group.

10.2.3 Promotions of any material assets acquired/to be acquired within 3 financial years preceding the date of this Prospectus

Save as disclosed below, none of our Directors or substantial shareholders had any interest, direct or indirect, in the promotion of or in any material assets which had been, within FYE 2017 to 2019 and FPE 2020, acquired or proposed to be acquired, disposed or proposed to be disposed or leased or proposed to be leased to/by us:

- (i) Acquisition by Teladan Setia of its 2.5% equity interest in Riverwell from Teo Lay Ban for a consideration of RM0.5 million on 29 December 2017;
- (ii) Disposal by Teladan Setia of its 100% equity interest in Widenote to Teo Lay Ban for a consideration of RM1 on 31 December 2018;
- (iii) First right of refusals granted to our Group in respect of the disposal of shares in Polywell Enterprise, Polywell Development, Indra and Polyintan, and all the land held by Polywell Enterprise, Polywell Development, Indra and Polyintan, details of which are set out in Section 6.5(xvii) to (xx). Save for the acquisition disclosed in paragraph (iv) below, our Group has not exercised its rights over any of the subject shares or subject land as at LPD; and

10. RELATED PARTY TRANSACTIONS (Cont'd)

- (iv) Acquisition by Teladan Setia of 100% equity interest in Polyintan from Polywell Enterprise for a cash consideration of RM1.8 million (subject to adjustment) pursuant to the share sale agreement dated 11 November 2020 (as supplemented on 4 January 2021), details of which are set out in Section 6.5(xxvii). The cash consideration is subject to adjustment in accordance with the market value of the properties owned by Polyintan upon obtaining the development order for development on the properties. The transaction is expected to be completed by the third quarter of 2021.

10.2.4 Transactions entered into with M&A Securities

Save as disclosed below, we have not entered into any transactions with M&A Securities who is the Adviser, Sponsor, Underwriter and Placement Agent for our Listing:

- (i) Agreement dated 13 September 2018 between Teladan Setia and M&A Securities for the appointment of M&A Securities as Adviser, Placement Agent and Sponsor for our Listing; and
- (ii) Underwriting Agreement dated 23 December 2020 entered into between our Company and M&A Securities for the underwriting of 50,734,000 Issue Shares.

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11. CONFLICT OF INTEREST

11.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND SUPPLIERS

As at LPD, Teo Lay Ban, Teo Lay Lee, Teo Siew May and Wan Lei Chin through various private companies ("Related Land Companies") of which they are also the substantial shareholder and/or director, own the following parcels of land:

Related Land Companies	Related parties' shareholdings in the Related Land Companies	Title details	Description	Category of land use/ Existing use/ Land area (acres)	Year of purchase/ Purchase cost (RM'000)
(i) Polywell Enterprise	Teo Lay Ban: 39.2% Teo Lay Lee: 19.6% Teo Siew May: 19.6% Wan Lei Chin: 21.7%	GM 654 Lot 544, in the Mukim of Pulai, District of Johor Bahru, State of Johor	Agriculture land with no access roads and developer will not be able to construct access roads due to surrounding lands being owned by third parties	Agriculture/ Vacant/ 6.09	2004/ 219
(ii) Polywell Enterprise	Teo Lay Ban: 39.2% Teo Lay Lee: 19.6% Teo Siew May: 19.6% Wan Lei Chin: 21.7%	GM 770 Lot 75257, in the Mukim of Plentong, District of Johor Bahru, State of Johor	Commercial land with express condition to be used as petrol station	Building/ Vacant/ 2.12	2011/ 6,652
(iii) Polywell Enterprise	Teo Lay Ban: 39.2% Teo Lay Lee: 19.6% Teo Siew May: 19.6% Wan Lei Chin: 21.7%	HS(M) 2637 PTD 101131, in the Mukim of Plentong, District of Johor Bahru, State of Johor	Agriculture land with no access roads and developer will not be able to construct access roads due to surrounding lands being owned by third parties	Agriculture/ Vacant/ 1.96	2012/ 2,580
(iv) Polywell Development	Indirect interest held thru Polywell Enterprise as Polywell Development is a wholly-owned subsidiary of Polywell Enterprise	Geran 27545 Lot 203, in the Mukim of Plentong, District of Johor Bahru, State of Johor	Agriculture land with the main and approaching access roads to the land being occupied by squatters	Nil ⁽¹⁾ / Vacant/ 19.61	2001/ 2,600

11. CONFLICT OF INTEREST (Cont'd)

Related Land Companies	Related parties' shareholdings in the Related Land Companies	Title details	Description	Category of land use/ Existing use/ Land area (acres)	Year of purchase/ Purchase cost (RM'000)
(v) Polywell Development	Indirect interest held thru Polywell Enterprise as Polywell Development is a wholly-owned subsidiary of Polywell Enterprise	CT 7766 and 7767, Lot 2302 and 2303 (currently known as HS(D) 583780, 583781, 583782 and 583783, PTD 162415, 162416, 162417 and 162418), in the Mukim of Tebrau, District of Johor Bahru, State of Johor	Although the land has been approved for property development, the site is cut across by Senai/Desaru Highway. Further, there is no proper drainage discharge at the site.	Agriculture/ Vacant/ 16.89	2001/ 3,554
(vi) Indra	Teo Lay Ban: 2.1% Teo Lay Lee: 1.1% Teo Siew May: 1.1% Wan Lei Chin: 1.1% Plus indirect interest held thru Polywell Enterprise as Indra is a 94.7%-owned subsidiary of Polywell Enterprise	GM 253 Lot 552, in the Mukim of Pulai, District of Johor Bahru, State of Johor	Agriculture land with no access roads and developer will not be able to construct access roads due to surrounding lands being owned by third parties	Agriculture/ Vacant/ 4.72	2005/ 321
(vii) Polyintan ⁽²⁾	Indirect interest held thru Polywell Enterprise as Polyintan is a wholly-owned subsidiary of Polywell Enterprise	PM 1100 Lot 10243, in the Mukim of Durian Tunggal, District of Alor Gajah, State of Melaka	Agriculture land zoned for institutional and society with express condition in the issue document of title to be used as golf course only (in accordance to Rancangan Tempatan Majlis Perbandaran Hang Tuah Jaya, Blok Perancangan Kecil 5.1) ⁽³⁾	Nil ⁽¹⁾ / Vacant/ 0.21	2017/ 83

11. CONFLICT OF INTEREST (Cont'd)

Related Land Companies	Related parties' shareholdings in the Related Land Companies	Title details	Description	Category of land use/ Existing use/ Land area (acres)	Year of purchase/ Purchase cost (RM'000)
(viii) Polyintan ⁽²⁾	Indirect interest held thru Polywell Enterprise as Polyintan is a wholly-owned subsidiary of Polywell Enterprise	Geran 3540 and 3541, Lot 2544 and 2545, in the Mukim of Durian Tunggal, District of Alor Gajah, State of Melaka	Agriculture land zoned for institutional and society (in accordance to Rancangan Tempatan Majlis Perbandaran Hang Tuah Jaya, Blok Perancangan Kecil 5.1) ⁽³⁾	Nil ⁽¹⁾ / Vacant/ 10.24	1997/ 6,250

Notes:

- (1) Pursuant to Section 53 of the National Land Code 1965, the lands (being country land or town/village land held under Land Office title) are subject to implied condition that it shall only be used for agricultural purpose until a category of land use is imposed
- (2) We are currently in the process of acquiring Polyintan. Please refer to Section 6.5 (xxvii) for further details of the acquisition
- (3) Polyintan is in the midst of applying for a development order to develop residential properties on this land

The Promoters had in the past acquired these lands for investment purposes via the Related Land Companies.

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11. CONFLICT OF INTEREST (Cont'd)

Our Board (save for Teo Lay Ban, Teo Lay Lee and Teo Siew May) having reviewed the following is of the view that our Promoters' interests in the Related Land Companies do not give rise to any conflict of interest with our Group:

- (i) The above land are currently not ready for development (save for those under Polyintan as explained above) and as such, the acquisition of such land or Related Land Companies by our Group at this juncture will be earnings dilutive and not cash flow generating.
- (ii) The Related Land Companies have undertaken not to develop any land, present or future held by the Related Land Companies, in any manner whatsoever, whether singly or jointly with any third party, including by way of joint venture arrangement.
- (iii) Our Group has been granted the first right of refusal to purchase the shares in the Related Land Companies, and any land, present or future held or to be acquired by the Related Land Companies, at the following terms:
 - (a) The shareholders of the Related Land Companies have undertaken not to dispose of their shares in the Related Land Companies without first offering it to the Group and the Related Land Companies have undertaken not to dispose of the subject land without first offering it to the Group;
 - (b) The first right of refusal to purchase shares in the Related Land Companies or the subject land (as the case may be) can be exercised by the Group within 30 days from notification (i) by the shareholders of the Related Land Companies that they desire to sell the subject shares; or (ii) by the respective Related Land Companies that they desire to sell the subject land, whichever is applicable. The shareholders of the Related Land Companies or the Related Land Companies are obliged to provide such notification to the Group prior to offering the subject shares or land to a third party;
 - (c) The purchase consideration to be stated in the notification of the shareholders of the Related Land Companies or the Related Land Companies, as the case may be, shall be derived on willing-buyer willing-seller basis guided by the prevailing market value of the shares in the Related Land Companies or the subject land (as the case may be) as appraised by an independent valuer;
 - (d) The first right of refusal shall continue so long as (i) our Group is in the business of property development or investment holding and (ii) the Related Land Companies and its shareholders remain as related parties to our Group; and
 - (e) Polywell Enterprise has undertaken not to purchase land or interest in any land, and not to participate in any manner the development of any real estate, whether by Polywell Enterprise or through any of its present and future subsidiaries without our Company's prior written consent.

For clarity, the terms of the offer to any third party (after the offer is first rejected by our Group) shall not be more favourable than that which is offered to our Group.

- (iv) Save for their investment holding of the land, the Related Land Companies are currently not involved in any property development activities that are similar or would compete with the business of our Group. As at LPD, all the Related Land Companies are involved in property investment only.

11. CONFLICT OF INTEREST (Cont'd)

We do not expect to exercise our right to purchase any of the above shares and/or land upon any offer until certain key criteria are satisfied. Chiefly, the land held by the Related Land Companies must be ready for development based on our assessment of the zoning of the land, its surrounding areas, accessibility and property market condition at that point in time, amongst others. For avoidance of doubt, the first right of refusal is available only upon an offer made to the Related Land Companies. There is no option granted to Teladan Setia to purchase the shares in the Related Land Companies and/or land.

The decision whether or not to exercise our right to purchase will be considered by our non-interested Directors.

If we do not exercise our first right of refusal to purchase the subject land or subject shares of the Related Land Companies, the Related Land Companies or shareholders of the Related Land Companies will be free to dispose of the subject land or subject shares (as the case may be) to any third party, provided that the sale will be of the terms not more favourable than the terms offered to us.

Save as disclosed above, none of our other Directors or substantial shareholders has any interest, direct or indirect, in other businesses or corporations carrying on a similar or related trade as our Group as at LPD. Save as disclosed in Section 10.1, none of our Directors and/or substantial shareholders are customers and/or suppliers of our Group as at LPD.

It is our Director's fiduciary duty to avoid conflict, and they are required to attend courses which provide them guidelines on their fiduciary duties. In order to mitigate any possible conflict of interest situation in the future, our Directors will declare to our Nominating Committee and our Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Nominating Committee will first then evaluate if such Director's involvement gives rise to an actual or potential conflict of interest with our Group's business after the disclosure provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, our Nominating Committee will then:

- (i) Immediately inform our Board of the conflict of interest situation;
- (ii) Make recommendations to our Board to direct the conflicted Director to:
 - (a) Withdraw from all his executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an Executive Director); and
 - (b) Abstain from all Board deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (b) above, the conflicted Director and persons connected to him (if applicable) shall be absent from any Board discussion relating to the recommendation of our Nominating Committee and the conflicted Director and persons connected to him (if applicable) shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may however at the request of the Chairman of our Board, be present at our Board meeting to answer any questions.

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our Nominating Committee may determine that a resignation of the conflicted Director from our Board is appropriate and necessary.

11. CONFLICT OF INTEREST (Cont'd)

Where there are related party transactions between our Group with our Directors (or person connected to them) or companies in which our Directors (or person connected to them) have an interest, our Audit Committee will, amongst others, supervise and monitor such related party transaction and the terms thereof and report to our Board for further action. Please refer to Section 10.1 for the procedures to be taken to ensure that related party transactions (if any) are undertaken on arm's length basis.

11.2 DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS

- (i) M&A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Adviser, Sponsor, Underwriter and Placement Agent for our Listing.
- (ii) Lee & Tengku Azrina has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors for our Listing.
- (iii) RSM Malaysia has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants for our Listing.
- (iv) Smith Zander International Sdn Bhd has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as IMR for our Listing.
- (v) CH Williams Talhar & Wong Sdn Bhd has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Independent Valuer for our Listing.

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12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

Our historical financial information throughout FYE 2017 to 2019 and FPE 2020 have been prepared in accordance with MFRS and IFRS. The selected financial information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows.

Our Company was incorporated on 14 February 2019 to facilitate our Listing, and we completed the acquisition of the entire equity interest of Teladan Setia on 5 January 2021. Teladan Setia has been under the common control of our Promoters throughout FYE 2017 to 2019 and FPE 2020 and is regarded as a continuing entity. Notwithstanding the passing of Datuk Teo Poh Boon, common control is still with the beneficiaries of Datuk Teo Poh Boon i.e. Wan Lei Chin, Teo Lay Lee and Teo Siew May vide the will of the late Datuk Teo Poh Boon. Thus, there is no change in the common control of the Promoters. As such, the historical financial information of our Group for FYE 2017 to 2019 and FPE 2020 is presented based on the combined audited financial statements of TSG Group.

12.1.1 Historical combined statements of profit or loss and other comprehensive income

The following table sets out a summary of our combined statements of profit or loss and other comprehensive income for FYE 2017 to 2019 and FPE 2020 which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 12.2 and 13 respectively.

	Audited			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2017	2018	2019	2019	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	359,511	259,141	232,988	176,457	100,028
Less : Cost of sales	(240,240)	(167,452)	(152,451)	(114,323)	(63,564)
GP	119,271	91,689	80,537	62,134	36,464
Other operating income	1,723	2,613	2,470	1,659	2,318
Other operating expenses	(19,538)	(10,485)	(9,281)	(8,049)	(6,499)
Administrative expenses	(18,962)	(16,911)	(17,921)	(9,770)	(8,038)
Finance cost	(1,223)	(1,014)	(468)	(328)	(466)
PBT	81,271	65,892	55,337	45,646	23,779
Taxation	(18,342)	(17,066)	(11,935)	(11,935)	(6,477)
Profit from continuing operations	62,929	48,826	43,402	33,711	17,302
Loss from discontinued operation, net of tax	(26)	(102)	-	-	-
Total comprehensive income/PAT for the financial years/period	62,903	48,724	43,402	33,711	17,302
Total comprehensive income/PAT for the financial years/period attributable to:					
Owners of our Company	62,979	48,724	43,402	33,711	17,302
Non-controlling interests	(76)	*	-	-	-
	62,903	48,724	43,402	33,711	17,302
EBIT ⁽¹⁾	81,281	65,002	54,106	44,861	22,817
EBITDA ⁽¹⁾	82,383	66,536	55,427	45,814	23,710

12. FINANCIAL INFORMATION (Cont'd)

	Audited			Unaudited	Audited
	FYE	FYE	FYE	FPE	FPE
	2017	2018	2019	2019	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
GP margin (%) ⁽²⁾	33.2	35.4	34.6	35.2	36.5
PBT margin (%) ⁽³⁾	22.6	25.4	23.8	25.9	23.8
Net margin (%) ⁽³⁾	17.5	18.8	18.6	19.1	17.3
Basic EPS (sen) ⁽⁴⁾	9.8	7.6	6.7	5.2	2.7
Diluted EPS (sen) ⁽⁵⁾	7.8	6.1	5.4	4.2	2.2

Notes:

* Less than RM1,000

(1) EBIT and EBITDA are calculated as follows:

	Audited			Unaudited	Audited
	FYE 2017	FYE 2018	FYE 2019	FPE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit for the financial year/period	62,903	48,724	43,402	33,711	17,302
Less:					
Interest income	(1,187)	(1,802)	(1,699)	(1,113)	(1,428)
Add:					
Finance cost	1,223	1,014	468	328	466
Taxation	18,342	17,066	11,935	11,935	6,477
EBIT	81,281	65,002	54,106	44,861	22,817
Add:					
Depreciation	1,102	1,534	1,321	953	893
EBITDA	82,383	66,536	55,427	45,814	23,710

(2) Calculated based on GP divided by revenue

(3) PBT margin and net margin are calculated based on the respective PBT and profit from continuing operations for the financial years/period divided by revenue

(4) Calculated based on PAT attributable to owners of our Company divided by our enlarged number of Shares in issue before IPO

(5) Calculated based on PAT attributable to owners of our Company divided by our enlarged number of Shares in issue after IPO

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12. FINANCIAL INFORMATION (Cont'd)**12.1.2 Historical combined statements of financial position**

The following table sets out the combined statements of financial position of our Group as at 31 December 2017, 2018, 2019 and 30 September 2020 which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 12.2 and 13 respectively.

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	3,900	5,050	5,348	4,548
Right-of-use assets ⁽²⁾	-	489	408	283
Inventories	81,977	81,977	171,748	171,748
Deferred tax assets	431	-	-	-
Total non-current assets	<u>86,308</u>	<u>87,516</u>	<u>177,504</u>	<u>176,579</u>
Current assets				
Inventories	229,543	205,877	182,830	193,273
Trade and other receivables	51,827	71,495	27,742	34,310
Contract assets	35,163	17,226	61,052	49,161
Current tax assets	2,640	1,402	1,467	830
Cash and cash equivalents	69,701	85,234	92,297	75,566
Total current assets	<u>388,874</u>	<u>381,234</u>	<u>365,388</u>	<u>353,140</u>
Total assets	475,182	468,750	542,892	529,719
Equity				
Share capital	3,750	3,750	3,750	3,750
Retained profits	278,755	297,255	340,656	357,958
Equity attributable to owners of our Company	<u>282,505</u>	<u>301,005</u>	<u>344,406</u>	<u>361,708</u>
Non-controlling interests	15	14	-	-
Total equity	<u>282,520</u>	<u>301,019</u>	<u>344,406</u>	<u>361,708</u>
Non-current liabilities				
Bank borrowings	86,058	67,965	105,913	104,686
Lease liabilities ⁽²⁾	-	327	270	195
Finance lease liabilities	147	200	369	260
Deferred tax liabilities	19	46	46	46
Total non-current liabilities	<u>86,224</u>	<u>68,538</u>	<u>106,598</u>	<u>105,187</u>
Current liabilities				
Trade and other payables	72,362	⁽¹⁾ 76,139	⁽¹⁾ 68,858	38,040
Bank borrowings	14,810	16,309	22,462	21,618
Contract liabilities	10,267	-	-	-
Lease liabilities ⁽²⁾	-	207	179	120
Finance lease liabilities	333	180	216	180
Current tax liabilities	8,666	6,358	173	2,866
Total current liabilities	<u>106,438</u>	<u>99,193</u>	<u>91,888</u>	<u>62,824</u>
Total liabilities	<u>192,662</u>	<u>167,731</u>	<u>198,486</u>	<u>168,011</u>
Total equity and liabilities	475,182	468,750	542,892	529,719

12. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) Inclusive of dividend payable of RM26.2 million
- (2) Our Group has early adopted MFRS 16 Leases and applied this standard retrospectively since FYE 2018. In accordance with the transition requirements under the Appendix C, paragraph 5(b) of this Standard, comparatives are not restated. The Group rents commercial units which make up its rights-of-use assets and their corresponding rentals make up its lease liabilities. The following is an explanation on right-of-use assets and lease liabilities:

Right-of-use asset

Our Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Subsequent to the initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Depreciation is computed on a straight-line basis over the estimated useful lives of the right-of-use assets.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, our respective Group entities' incremental borrowing rate. Generally, our Group entities use their incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method.

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12. FINANCIAL INFORMATION (Cont'd)**12.1.3 Historical combined statements of cash flows**

The following table sets out the combined statements of cash flows of our Group for FYE 2017 to 2019 and FPE 2020 which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 12.2 and 13 respectively.

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
PBT				
Continuing operations	81,271	65,892	55,337	23,779
Discontinued operations	(26)	(102)	-	-
	<u>81,245</u>	<u>65,790</u>	<u>55,337</u>	<u>23,779</u>
Adjustments for:				
Bad debts written off	-	-	16	*
Depreciation of property, plant and equipment	1,102	1,387	1,156	768
Depreciation of right-of-use assets	-	147	165	125
Sundry deposits written off	-	95	-	-
Interest expenses	1,223	1,014	468	466
Interest income	(1,187)	(1,802)	(1,699)	(1,428)
(Gain)/Loss on disposal of property, plant and equipment	62	(107)	(459)	(277)
Gain on disposal of a subsidiary	-	(128)	-	-
Property, plant and equipment written off	1,199	5	-	-
Operating profit before working capital changes	<u>83,644</u>	<u>66,401</u>	<u>54,984</u>	<u>23,433</u>
Changes in working capital:				
Inventories	1,703	27,798	29,981	(5,480)
Trade and other receivables	(9,788)	(19,796)	32,218	(6,568)
Contract assets and liabilities	(11,355)	7,670	(43,826)	11,890
Trade and other payables	16,600	(21,202)	5,140	(17,118)
Cash generated from operations	<u>80,804</u>	<u>60,871</u>	<u>78,497</u>	<u>6,157</u>
Interest received	1,187	1,802	1,699	1,428
Tax paid	(18,672)	(18,267)	(18,693)	(6,022)
Tax refund	231	1	572	2,875
Net cash generated from operating activities	63,550	44,407	62,075	4,438
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	399	122	498	345
Purchase of property, plant and equipment	(1,449)	(1,621)	(1,092)	(36)
Net cash outflow on disposal of a subsidiary	-	(357)	-	-
Withdrawal/(Placement) of fixed deposit	(843)	(10,313)	(182)	(589)
Purchase of land held for development	(26,647)	-	(8,253)	-
Net cash generated from/(used in) investing activities	(28,540)	(12,169)	(9,029)	(280)

12. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Acquisition of non-controlling interests	(500)	-	-	-
Interest paid	(4,987)	(5,897)	(7,402)	(5,428)
Issuance of share capital	-	-	*	-
Issuance of shares by a subsidiary to non-controlling interests	15	-	-	-
Proceeds from borrowings	26,963	33,594	18,160	23,497
Repayment of borrowings	(33,677)	(49,408)	(44,945)	(26,250)
Repayment of finance lease liabilities	(413)	(400)	(195)	(145)
Repayment of lease liabilities	-	(127)	(169)	(134)
Dividend paid	(4,750)	(4,000)	(12,500)	(13,700)
Net cash used in financing activities	(17,349)	(26,238)	(47,051)	(22,160)
Cash and cash equivalents				
Net changes	17,661	6,000	5,995	(18,002)
At beginning of financial year/period	44,306	61,967	67,967	73,962
At end of financial year/period	61,967	67,967	73,962	55,960

Note:

* Less than RM1,000

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and segmental analysis of our combined financial statements for FYE 2017 to 2019 and FPE 2020 should be read with the Accountants' Report included in Section 13.

12.2.1 Overview of our operations**(i) Principal activities**

Our Group is principally involved in property development. To this end, our Group focuses on residential and commercial developments.

Please refer to Section 7 for our Group's detailed business overview.

(ii) Revenue

Our Group's revenue is mainly derived from the sale of our developments and completed units. In terms of ongoing developments, our revenue is also dependent on the construction progress of the projects. The analysis of revenue by activity as set out in Section 12.2.2(i) shows how much of our revenue is derived from project sales, and separates it from sales of inventories i.e. our completed units.

Our Group's revenue recognition criteria are as follows:

- (a) Revenue generated from the sale of development properties refer to sales derived from our on-going development projects. This is accounted for using the percentage of completion method. The stage of completion is determined by reference to the project cost incurred to-date over the total estimated costs where the outcome of the projects can be reliably estimated; and

12. FINANCIAL INFORMATION (Cont'd)

- (b) Revenue generated from the sale of completed development units and land refer to the sale of our existing inventory of completed unsold units from past projects. This is accounted for in full upon signing of sale and purchase agreement.

Revenue is recognised when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

(iii) Cost of sales

Our cost of sales comprises property development expenditure which includes infrastructure costs, building construction cost undertaken by contractors, interior furnishing (mainly furniture and renovation sometimes offered by our Group to our buyers as part of a design package), land costs and contributions to the relevant authorities.

(iv) Other operating income

Other operating income comprises mainly interest income and gain on disposal of property, plant and equipment.

(v) Other operating expenses

Other operating expenses comprise mainly advertisement and promotion, commission and brokerage expenses as well as maintenance cost for our completed projects.

(vi) Administrative expenses

Administrative expenses comprise overheads incurred to maintain our operations such as administrative staff costs, directors' remuneration and depreciation.

(vii) Finance cost

Finance cost comprises mainly interest expense on our borrowings.

(viii) Recent developments

Save for the Acquisition, purchase of new landbank and the acquisition of Polyintan as set out in Section 6.5, there were no other significant events subsequent to our Group's audited combined financial statements for FPE 2020 and there are no other significant events that may have a material effect on our financial position and results since FPE 2020.

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12. FINANCIAL INFORMATION (Cont'd)

12.2.2 Review of our results of operations

(i) Revenue

Analysis of revenue by activities

	FYE 2017		Audited		FYE 2018		FYE 2019		Unaudited		Audited	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Sales of development properties												
- From project sales, which are recognised over time based on completion progress	342,049	95.1	215,687	83.2	193,063	82.9	150,976	85.6	88,710	88.7		
- From sales of our inventory of completed units, which is recognised at a point in time	17,462	4.9	43,454	16.8	39,925	17.1	25,481	14.4	11,318	11.3		
	359,511	100.0	259,141	100.0	232,988	100.0	176,457	100.0	100,028	100.0		

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12. FINANCIAL INFORMATION (Cont'd)

Analysis of revenue by development projects

	FYE 2017		Audited FYE 2018		FYE 2019		Unaudited FPE 2019		Audited FPE 2020	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Taman Desa Bertam ⁽¹⁾	11,933	3.3	97,832	37.7	128,316	55.1	115,237	65.3	22,544	22.6
Atlantis Residences	298,008	82.9	90,481	34.9	9,247	4.0	9,753	5.6	408	0.4
Taman Bertam Putra (Phase 1)	14,621	4.1	48,673	18.8	11,701	5.0	9,385	5.3	748	0.7
Taman Saujana Heights	11,541	3.2	7,913	3.0	9,447	4.1	1,367	0.8	8,135	8.2
Bali Residences	-	-	5,639	2.2	53,609	23.0	29,940	17.0	47,815	47.8
Taman Sentosa	-	-	1,955	0.8	-	-	-	-	-	-
Taman Cheng Setia (Phase 6)	-	-	1,476	0.6	2,140	0.9	773	0.5	1,236	1.2
Taman Krubong Indah ⁽²⁾	1,490	0.4	657	0.3	-	-	-	-	-	-
Taman Belimbing Setia ⁽³⁾	709	0.2	551	0.2	7,576	3.3	2,495	1.4	11,130	11.1
Taman Seri Tuah Permai	-	-	478	0.2	4,697	2.0	2,860	1.6	430	0.4
Taman Bertam Setia ⁽⁴⁾	4,617	1.3	174	0.1	6,088	2.6	4,477	2.5	7,582	7.6
Taman Desa Idaman ⁽⁵⁾	1,542	0.4	-	-	67	*	70	*	-	-
The Tropicana Residences	-	-	-	-	-	-	-	-	-	-
Taman Bukit Larang Indah	-	-	-	-	90	*	90	*	-	-
Bandar Baru Merlimau	15,050	4.2	3,312	1.2	-	-	-	-	-	-
Taman Seri Rambai ⁽⁶⁾	-	-	-	-	10	*	10	*	-	-
	359,511	100.0	259,141	100.0	232,988	100.0	176,457	100.0	100,028	100.0

Notes:

- * Less than 0.1%
- (1) Comprising project and/or inventory sales from Taman Desa Bertam (Phase 1A, 1B and 1C)
- (2) Taman Krubong Indah is a residential development comprising 118 units of single storey cluster and 12 units of low cost single storey semi-detached house
- (3) Comprising project and/or inventory sales from Taman Belimbing Setia (Phase 1, 2A, 2B and 3)
- (4) Comprising project and/or inventory sales from Taman Bertam Setia (Phase 1B, 1C, 2B, 3 and 5)
- (5) Comprising project and/or inventory sales from Taman Desa Idaman (Phase 1C and 2)
- (6) Taman Seri Rambai is a residential development comprising 64 units of single storey semi-detached house and 1 unit of bungalow land, which was completed in July 2012, and its contribution in FPE 2019 was from the sale of the bungalow land.

12. FINANCIAL INFORMATION (Cont'd)

The revenue unbilled for sold and unsold units as at the end of FPE 2020 for our on-going projects are set out below:

Projects	Revenue unbilled for	
	Sold units (RM million)	Unsold units (RM million)
(a) Taman Desa Bertam (Phase 2)	70.6	63.3
(b) Taman Desa Bertam (Phase 3A)	5.8	129.6
(c) Taman Belimbing Setia (Phase 2B)	7.3	1.0
(d) Taman Bertam Setia (Phase 1C)	3.6	-
(e) Bali Residences	157.0	93.7
Total	244.3	287.6

Since FYE 2017, only 2 units with total selling price of RM0.8 million were sold to our Group's suppliers.

Comparison between FYE 2017 and FYE 2018

Our Group's total revenue decreased by RM100.4 million or 27.9% from RM359.5 million in FYE 2017 to RM259.1 million in FYE 2018 mainly due to lower revenue recognised from Atlantis Residences of RM207.5 million as Tower C and Tower D were fully completed in the beginning of FYE 2018.

The decrease in revenue was also contributed by the lower contribution from Taman Bertam Setia (Phase 1B, 2B and 5) (decrease of RM4.4 million) and Bandar Baru Merlimau (decrease of RM11.7 million) due to more progress achieved in FYE 2017, as well as the completion of Taman Desa Idaman (Phase 1C) (decrease of RM1.5 million) during FYE 2017.

The decrease was partially offset by:

- (a) On-going development of Taman Desa Bertam (Phase 1A, 1B and 1C) which achieved higher percentage of completion of 49.3% in FYE 2018 as compared to 7.3% in FYE 2017 and contributed an incremental revenue of RM85.9 million;
- (b) Completion of Taman Bertam Putra (Phase 1) in FYE 2018 as compared to percentage of completion of 26.5% in FYE 2017 which contributed an incremental revenue of RM34.1 million; and
- (c) Launching of Bali Residences towards the end of FYE 2018 which contributed revenue of RM5.6 million.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2018 and FYE 2019

Our Group's total revenue decreased by RM26.2 million or 10.1% from RM259.1 million in FYE 2018 to RM232.9 million in FYE 2019 mainly due to decrease in revenue recognised from:

- (a) Atlantis Residences of RM81.2 million as it was fully completed in the beginning of FYE 2018 while only 17 units of inventory amounting RM9.2 million was sold in FYE 2019.
- (b) Taman Bertam Putra (Phase 1) of RM37.0 million as it was fully completed in end of FYE 2018; and
- (c) Bandar Baru Merlimau of RM3.3 million due to its completion in FYE 2018.

The decrease in revenue was partially offset by:

- (a) Completion of Taman Desa Bertam (Phase 1A and 1B) as compared to percentage of completion of 57.5% in FYE 2018 which contributed an incremental revenue of RM1.0 million;
- (b) On-going development of Taman Desa Bertam (Phase 1C) which achieved higher percentage of completion of 90.5% in FYE 2019 as compared to 18.4% in FYE 2018 and contributed an incremental revenue of RM29.5 million;
- (c) On-going development of Bali Residences which achieved higher percentage of completion of 26.7% in FYE 2019 as compared to 4.9% in FYE 2018 and contributed an incremental revenue of RM48.0 million;
- (d) Sales of completed units in Taman Saujana Heights and Taman Seri Tuah Permai which contributed an incremental revenue of RM5.8 million; and
- (e) Launching of Taman Bertam Setia (Phase 1C) and Taman Belimbing Setia (Phase 2B) in FYE 2019 which contributed revenue of RM6.0 million and RM7.6 million respectively.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FPE 2019 and FPE 2020

In FPE 2020, due to the Covid-19 pandemic situation, our operations were halted since the beginning of the MCO in March 2020 and only continued progressively in May 2020 onwards. This has resulted in reduced revenue during FPE 2020.

Our Group's total revenue decreased by RM76.4 million or 43.3% from RM176.5 million in FPE 2019 to RM100.0 million in FPE 2020 mainly due to decrease in revenue recognised from Taman Desa Bertam of RM109.7 million as Phase 1A and 1B was fully completed in the middle of FPE 2019. The decrease in revenue also contributed by the decreased contribution from Atlantis Residences by RM9.3 million, Taman Bertam Putra (Phase 1) of RM8.6 million and Taman Seri Tuah Permai by RM2.4 million.

The decrease in revenue was partially offset by:

- (a) Launching of Taman Desa Bertam (Phase 2 and 3A) in FPE 2020 which contributed an incremental revenue of RM17.0 million;
- (b) On-going development of Bali Residences which achieved percentage of completion of 47.1% in FPE 2020 as compared to 17.3% in FPE 2019 and contributed an incremental revenue of RM17.9 million;
- (c) On-going development of Taman Bertam Setia (Phase 1C) which achieved percentage of completion of 94.4% in FPE 2020 as compared to 32.2% in FPE 2019 and contributed an incremental revenue of RM3.1 million;
- (d) On-going development of Taman Belimbing Setia (Phase 2B) which achieved percentage of completion of 73.0% in FPE 2020 as compared to 10.6% in FPE 2019 and contributed an incremental revenue of RM8.6 million; and
- (e) Sales of completed units in Taman Saujana Heights and Taman Cheng Setia (Phase 6) which contributed an incremental revenue of RM6.7 million and RM0.5 million respectively.

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12. FINANCIAL INFORMATION (Cont'd)

(ii) Cost of sales, GP and GP margin

Analysis of cost of sales by components

	FYE 2017		FYE 2018		FYE 2019		FPE 2019		FPE 2020	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Construction cost ⁽¹⁾	207,300	86.3	119,840	71.6	111,749	73.3	83,193	72.8	45,641	71.8
Contribution to authorities	2,098	0.9	1,753	1.0	3,042	2.0	2,058	1.8	1,936	3.0
Finance cost	1,443	0.6	2,251	1.3	3,835	2.5	3,138	2.8	1,833	2.9
Foreseeable loss ⁽²⁾	298	0.1	948	0.6	(1,521)	(1.0)	(29)	<0.1	(228)	(0.4)
Interior design package ⁽³⁾	-	-	6,519	3.9	429	0.3	395	0.3	-	-
Infrastructure cost	5,715	2.4	10,527	6.3	9,562	6.2	7,178	6.3	4,523	7.1
Land cost	11,553	4.8	17,116	10.2	19,347	12.7	15,221	13.3	6,599	10.4
Professional fees	8,039	3.3	6,203	3.7	3,008	2.0	1,764	1.5	1,378	2.2
Others ⁽⁵⁾	3,794	1.6	2,295	1.4	3,000	2.0	1,405	1.2	1,882	3.0
	240,240	100.0	167,452	100.0	152,451	100.0	114,323	100.0	63,564	100.0

Notes:

- (1) Being construction works undertaken by our contractors
- (2) Foreseeable loss is recognised for the development of low-cost house in Taman Bertam Putra (Phase 1), where the total revenue fetched was lower than the total development costs. Development of low cost house is a condition imposed by authority for granting the APDL. There are foreseeable losses for the development of low cost units in every project, which is measured by GDV minus GDC of such units. As regular units in the project are built and sold, a share of this foreseeable loss is allocated to the sale of such regular units in earlier years of the project, irrespective of whether the low cost units are developed. Subsequently, these foreseeable losses are reversed upon the sale of such low cost units in FYE 2019, FPE 2019 and FPE 2020.
- (3) Relates to mainly furniture and renovation sometimes offered by our Group to our buyers as part of a design package. As at LPD, we only provide interior design package for Atlantis Residences
- (4) Include land cost of RM4.5 million, being land held for development which we surrendered to Lembaga Perumahan Melaka in lieu of our development of low-cost houses in Taman Bertam Setia (Phase 2 and 3), Taman Cheng Setia (Phase 5) and Taman Desa Idaman (Phase 3)
- (5) Others comprises anti-termite treatment, internal electrical installation, plan fee, plan processing fee, quit rent and assessment, quantity surveyor fee, site maintenance and testing fee

12. FINANCIAL INFORMATION (Cont'd)

Analysis of cost of sales by activities

	FYE 2017		Audited		FYE 2018		FYE 2019		Unaudited		Audited	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Sales of development properties	229,664	95.6	138,788	82.9	123,582	81.1	95,656	83.7	59,507	93.6		
- From project sales, which are recognised over time based on completion progress												
- From sales of our inventory of completed units, which is recognised at a point in time	10,576	4.4	28,555	17.0	28,869	18.9	18,667	16.3	4,057	6.4		
Other costs	-	-	(1)109	0.1	-	-	-	-	-	-		
	240,240	100.0	167,452	100.0	152,451	100.0	114,323	100.0	63,564	100.0		

Notes:

(1) Others consist of earthwork cost carried out for a piece of land sold as per the terms of the sale and purchase agreement with the buyer

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12. FINANCIAL INFORMATION (Cont'd)

Analysis of cost of sales by development projects

	FYE 2017		Audited		FYE 2018		FYE 2019		Unaudited		Audited	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Taman Desa Bertam ⁽¹⁾	7,743	3.2	60,770	36.3	82,979	54.4	73,196	64.0	17,033	26.8		
Atlantis Residences	199,485	83.0	57,319	34.2	6,524	4.3	6,813	6.0	(3,863)	(6.1)		
Taman Bertam Putra (Phase 1)	11,110	4.6	34,517	20.6	9,667	6.3	7,297	6.4	555	0.9		
Taman Saujana Heights	7,277	3.0	5,172	3.1	6,407	4.2	922	0.8	6,338	9.9		
Bali Residences	-	-	4,640	2.8	34,270	22.5	18,745	16.4	31,642	49.8		
Taman Sentosa	-	-	1,536	0.9	-	-	-	-	-	-		
Taman Cheng Setia (Phase 6)	-	-	550	0.3	820	0.5	270	0.2	550	0.9		
Taman Krubong Indah ⁽²⁾	753	0.3	376	0.2	-	-	-	-	-	-		
Taman Belimbing Setia ⁽³⁾	719	0.3	204	0.1	3,581	2.4	1,184	1.1	5,263	8.3		
Taman Seri Tuah Permai	-	-	275	0.2	2,790	1.8	1,674	1.5	279	0.4		
Taman Bertam Setia ⁽⁴⁾	2,265	1.0	62	0.1	4,676	3.1	3,485	3.0	5,767	9.1		
Taman Desa Idaman ⁽⁵⁾	808	0.4	-	-	216	0.1	216	0.2	-	-		
The Tropicana Residences	-	-	-	-	-	-	-	-	-	-		
Taman Bukit Larang Indah	-	-	-	-	377	0.3	377	0.3	-	-		
Bandar Baru Merlimau	10,080	4.2	1,922	1.1	-	-	-	-	-	-		
Taman Seri Rambai ⁽⁶⁾	-	-	-	-	144	0.1	144	0.1	-	-		
Surrender cost	-	-	-	-	-	-	-	-	-	-		
Other costs	-	-	109	0.1	-	-	-	-	-	-		
	240,240	100.0	167,452	100.0	152,451	100.0	114,323	100.0	63,564	100.0		

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12. FINANCIAL INFORMATION (Cont'd)

Notes:

- * Less than 0.1%
- (1) Comprising cost of sales from Taman Desa Bertam (Phase 1A, 1B and 1C)
- (2) Taman Krubong Indah is a residential development comprising 118 units of single storey cluster and 12 units of low cost single storey semi-detached house
- (3) Comprising cost of sales from Taman Belimbing Setia (Phase 1, 2A, 2B and 3)
- (4) Comprising cost of sales from Taman Bertam Setia (Phase 1B, 1C, 2B, 3 and 5)
- (5) Comprising cost of sales from Taman Desa Idaman (Phase 1C and 2)
- (6) Taman Seri Rambai is a residential development comprising 64 units of single storey semi-detached house and 1 unit of bungalow land, which was completed in July 2012, and its cost of sale incurred in FYE 2019 was for the sale of the bungalow land

Analysis of GP and GP margin by activities

	FYE 2017			Audited			FYE 2019			Unaudited			Audited		
	GP			FYE 2018			FYE 2019			FPE 2019			FPE 2020		
	GP	margin	%	GP	margin	%	GP	margin	%	GP	margin	%	GP	margin	%
	RM'000			RM'000			RM'000			RM'000			RM'000		
Sales of development properties	112,385	32.9		76,899	35.7		69,481	36.0		55,320	36.6		29,203	32.9	
- Recognised over time based on completion progress	6,886	39.4		14,899	34.0		11,056	27.7		6,814	26.7		7,261	64.2	
- Recognised at a point in time for completed units	-	-		(109)	(100.0)		-	-		-	-		-	-	
Other costs	-	-		-	-		-	-		-	-		-	-	
	119,271	33.2		91,689	35.4		80,537	34.6		62,134	35.2		36,464	36.5	

12. FINANCIAL INFORMATION (Cont'd)

Analysis of GP and GP margin by development projects

	FYE 2017		Audited FYE 2018		FYE 2019		Unaudited FPE 2019		Audited FPE 2020	
	GP		GP		GP		GP		GP	
	RM'000	margin %	RM'000	margin %	RM'000	margin %	RM'000	margin %	RM'000	margin %
Taman Desa Bertam ⁽¹⁾	4,190	35.1	37,062	37.9	45,337	35.3	42,041	36.5	5,511	24.4
Atlantis Residences	98,523	33.1	33,162	36.7	2,723	29.4	2,940	30.1	4,271	1,046.8
Taman Bertam Putra (Phase 1)	3,511	24.0	14,156	29.1	2,034	17.4	2,088	22.2	193	25.8
Taman Saujana Heights	4,264	36.9	2,741	34.6	3,040	32.2	445	32.6	1,797	22.1
Bali Residences	-	-	999	17.7	19,339	36.1	11,195	37.4	16,173	33.8
Taman Sentosa	-	-	419	21.4	-	-	-	-	-	-
Taman Cheng Setia (Phase 6)	-	-	926	62.7	1,320	61.7	503	65.1	686	55.5
Taman Krubong Indah ⁽²⁾	737	49.5	281	42.8	-	-	-	-	-	-
Taman Belimbing Setia ⁽³⁾	(10)	(1.4)	347	63.0	3,995	52.7	1,311	52.5	5,867	52.7
Taman Seri Tuah Permai	-	-	203	42.5	1,907	40.6	1,186	41.5	151	35.1
Taman Bertam Setia ⁽⁴⁾	2,352	50.9	112	64.4	1,412	23.2	992	22.2	1,815	23.9
Taman Desa Idaman ⁽⁵⁾	734	47.6	-	-	(149)	(222.4)	(146)	(208.6)	-	-
The Tropicana Residences	-	-	-	-	-	-	-	-	-	-
Taman Bukit Larang Indah	-	-	-	-	(287)	(318.9)	(287)	(318.9)	-	-
Bandar Baru Merlimau	4,970	33.0	1,390	42.0	-	-	-	-	-	-
Taman Seri Rambai ⁽⁶⁾	-	-	-	-	(134)	(1,340)	(134)	(1,340)	-	-
Surrender cost	-	-	-	-	-	-	-	-	-	-
Others	-	-	(109)	(100.0)	-	-	-	-	-	-
	119,271	33.2	91,689	35.4	80,537	34.6	62,134	35.2	36,464	36.5

Notes:

- * Less than 0.1%
- (1) Being GP and GP margin for Taman Desa Bertam (Phase 1A, 1B and 1C)
- (2) Taman Krubong Indah is a residential development comprising 118 units of single storey cluster and 12 units of low cost single storey semi-detached house
- (3) Being GP and GP margin for Taman Belimbing Setia (Phase 1, 2A, 2B and 3)
- (4) Being GP and GP margin for Taman Bertam Setia (Phase 1B, 1C, 2B, 3 and 5)

12. FINANCIAL INFORMATION (Cont'd)

- (5) Being GP and GP margin for Taman Desa Idaman (Phase 1C and 2)
- (6) Taman Seri Rambai is a residential development comprising 64 units of single storey semi-detached house and 1 unit of bungalow land, which was completed in July 2012, and its contribution in FPE 2019 was from the sale of the bungalow land.

Comparison between FYE 2017 and FYE 2018

Our Group's total cost of sales decreased by RM72.8 million or 30.3% from RM240.2 million in FYE 2017 to RM167.5 million in FYE 2018 mainly due to lower development cost as Atlantis Residences was fully completed in the beginning of FYE 2018 which accounted for a decrease in cost of sales of RM142.2 million.

The decrease in total cost of sales was also contributed by the lower development cost from Taman Bertam Setia (Phase 1B, 2B and 5) (decrease of RM2.2 million) and Bandar Baru Merlimau (decrease of RM8.2 million) due to more progress achieved in FYE 2017, as well as the completion of Taman Desa Idaman (Phase 1C) (decrease of RM0.8 million) during FYE 2017.

The decrease in total cost of sales was partially offset by:

- (a) On-going development of Taman Desa Bertam (Phase 1A, 1B and 1C) which achieved higher percentage of completion of 49.3% in FYE 2018 as compared to 7.3% in FYE 2017 and contributed an incremental cost of RM53.0 million;
- (b) Completion of Taman Bertam Putra (Phase 1) in FYE 2018 as compared to percentage of completion of 26.5% in FYE 2017 which contributed an incremental cost of RM23.4 million; and
- (c) Launching of Bali Residences towards the end of FYE 2018 which contributed cost of RM4.6 million.

Our Group's GP decreased by RM27.6 million from RM119.3 million in FYE 2017 to RM91.7 million in FYE 2018 mainly due to decrease in GP for Atlantis Residences (decrease of RM65.4 million) in line with its completion in FYE 2018. This was offset by higher contribution from Taman Desa Bertam (Phase 1A, 1B and 1C) (increase of RM32.9 million) and Taman Bertam Putra (Phase 1) (increase of RM10.6 million) in line with their progress as explained above.

Overall, our GP margin increased from 33.2% in FYE 2017 to 35.4% in FYE 2018. The main contributors to our GP margin for FYE 2018 were Taman Desa Bertam (Phase 1A, 1B and 1C) (37.9%), Atlantis Residences (36.7%) and Taman Bertam Putra (Phase 1) (29.1%). The higher GP margin from Atlantis Residences, Taman Bertam Putra (Phase 1) and Bandar Baru Merlimau was due to lower GDC incurred upon completion. For Atlantis Residences, lower superstructure cost was incurred for Tower C upon completion. For Taman Bertam Putra (Phase 1), lower roadworks cost was incurred. For Bandar Baru Merlimau, lower costs were incurred with respect to contribution for authorities and landscaping.

12. FINANCIAL INFORMATION (Cont'd)

The increase in the GP margin for Taman Desa Bertam (Phase 1A, 1B and 1C) in FYE 2018 as compared to FYE 2017 was mainly due to lower contracts cost awarded to the contractors in FYE 2018.

During FYE 2018, we were able to yield higher GP margin in Taman Cheng Setia (Phase 6) (62.7%) and Taman Belimbing Setia (Phase 2A) (63.0%) mainly due to lower GDC as the infrastructure cost and contribution to authorities have been fully incurred in the earlier phases.

Comparison between FYE 2018 and FYE 2019

Our Group's total cost of sales decreased by RM15.0 million or 9.0% from RM167.5 million in FYE 2018 to RM152.5 million in FYE 2019 mainly due to full completion of Atlantis Residences in the beginning of FYE 2018 which accounted for a decrease in cost of sales of RM50.8 million.

The decrease in total cost of sales was also contributed by the lower development cost from Taman Bertam Putra (Phase 1) (decrease of RM24.9 million) and Bandar Baru Merlimau (decrease of RM1.9 million) due to its completion in FYE 2018.

The decrease in total cost of sales was partially offset by:

- (a) Completion of Taman Desa Bertam (Phase 1A and 1B) as compared to percentage of completion of 57.5% in FYE 2018 which contributed an incremental cost of RM2.0 million;
- (b) On-going development of Taman Desa Bertam (Phase 1C) which achieved higher percentage of completion of 90.5% in FYE 2019 as compared to 18.4% in FYE 2018 and contributed an incremental cost of RM20.2 million;
- (c) On-going development of Bali Residences which achieved percentage of completion of 26.7% in FYE 2019 as compared to 4.9% in FYE 2018 and contributed an incremental cost of RM29.6 million;
- (d) Sales of completed units in Taman Saujana Heights and Taman Seri Tuah Permai which contributed an incremental cost of RM1.2 million and RM2.5 million respectively; and
- (e) Launching of Taman Bertam Setia (Phase 1C) and Taman Bertam Setia (Phase 2B) in FYE 2019 which contributed an incremental cost of RM4.4 million and RM3.6 million respectively.

Our Group's GP decreased by RM11.2 million from RM91.7 million in FYE 2018 to RM80.5 million in FYE 2019 mainly due to decrease in GP for Atlantis Residences (decrease of RM30.4 million) as it was completed in FYE 2018 and Taman Bertam Putra (Phase 1) (RM12.1 million) as more progress was recognised in FYE 2018 due to completion. This was offset by contribution from Taman Desa Bertam (Phase 1A, 1B and 1C) (increase of RM8.3 million), Bali Residences (increase by RM18.3 million), Taman Cheng Setia (Phase 6) (increase by RM0.4 million) and Taman Belimbing Setia (Phase 2B) (increase by RM3.6 million) in line with their development progress.

12. FINANCIAL INFORMATION (Cont'd)

Overall our GP margin decreased from 35.4% in FYE 2018 to 34.6% in FYE 2019. The main contributors to this GP margin were Taman Desa Bertam (Phase 1A, 1B & 1C) (35.3%), Atlantis Residences (29.4%) and newly commenced Bali Residences (36.1%). The decreased GP margin in Taman Desa Bertam (Phase 1A, 1B and 1C) was due to higher GDC upon completion. We incurred additional cost to replace the previous earthworks contractor due to unanticipated earthworks as well as compensation to our main contractor due to reintroduction of sales and services tax which were not factored into our original cost. The decrease in GP margin of Atlantis Residences (29.4%) was due to interior design costs being recognised towards the end of the projects. The decrease in GP margin of Taman Bertam Putra (Phase 1) (17.4%) was due to the sales of oddly shaped bungalow land at loss and sales of low cost flat at marginal loss in FYE 2019.

The gross loss from Taman Desa Idaman (Phase 1C and 2), Taman Bukit Larang Indah and Taman Sri Rambai in FYE 2019 were due to discounted sales of oddly shaped bungalow land left over from these developments. The lower GP margin for Taman Bertam Setia (Phase 1B and 3) was also due to sales of oddly shaped bungalow land in Phase 3.

In FYE 2019, GP margin for Taman Cheng Setia (Phase 6) was relatively consistent from 62.7% to 61.7%. However, for Taman Belimbing Setia, the GP margin decreased from 63.0% to 52.7% based on the different margins for different phases, as 63.0% GP margin was achieved for the sale of inventory units in Phase 2A, and 52.7% GP margin was achieved for the ongoing progress of Phase 2B.

The increase in the GP margin for Bali Residences in FYE 2019 as compared to FYE 2018 was mainly due to lower GDC incurred in FYE 2019 compared to FYE 2018 in relation to construction works.

Comparison between FPE 2019 and FPE 2020

Our Group's total cost of sales decreased by RM50.7 million or 44.4% from RM114.3 million in FPE 2019 to RM63.6 million in FPE 2020 in line with the decrease in our revenue amidst the MCO situation. This was mainly due to completion of Taman Desa Bertam (Phase 1A and 1B) in the middle of FPE 2019 which accounted for a decrease in cost of sales of RM56.2 million.

The decrease in total cost of sales was also contributed by decrease in cost of sales of RM10.7 million from Atlantis Residences due to reversal of overestimated GDC upon its finalised bill in FPE 2020. Additionally, decreased cost of sales were incurred from Taman Bertam Putra (Phase 1) (decrease of RM6.7 million) and Taman Seri Tuah Permai (decrease of RM1.4 million) due to less completed units sold.

The decrease in total cost of sales was partially offset by:

- (a) Launching of Taman Desa Bertam (Phase 2 and 3A) in FPE 2020 which contributed an incremental cost of RM11.7 million;
- (b) On-going development of Bali Residences which achieved percentage of completion of 47.1% in FPE 2020 as compared to 17.3% in FPE 2019 and contributed an incremental cost of RM12.8 million;

12. FINANCIAL INFORMATION (Cont'd)

- (c) On-going development of Taman Bertam Setia (Phase 1C) which achieved percentage of completion of 94.4% in FPE 2020 as compared to 32.2% in FPE 2019 and contributed an incremental cost of RM2.3 million;
- (d) On-going development of Taman Belimbing Setia (Phase 2B) which achieved percentage of completion of 73.0% in FPE 2020 as compared to 10.6% in FPE 2019 and contributed an incremental cost of RM4.1 million; and
- (e) Sales of completed units in Taman Saujana Heights and Taman Cheng Setia (Phase 6) which contributed an incremental cost of RM5.7 million.

Our Group's GP decreased by RM25.6 million from RM62.1 million in FPE 2019 to RM36.5 million in FPE 2020 in line with our decreased revenue and costs of sales, mainly contributed by decrease in GP for Taman Desa Bertam (decrease of RM36.5 million) as Phase 1A and 1B was completed in FPE 2019 and Taman Bertam Putra (Phase 1) (decreased of RM1.9 million) and Taman Seri Tuah Permai (decreased of RM1.0 million) as fewer completed units were sold in FPE 2020. This was offset by contribution from Taman Desa Bertam (Phase 2 and 3) (increase of RM3.2 million) and Bali Residences (increase by RM5.0 million) in line with their progress as explained above.

Overall our GP margin increased from 35.2% in FPE 2019 to 36.5% in FPE 2020. The main contributors to this GP margin were Bali Residences (33.8%), Taman Belimbing Setia (Phase 2B) (52.7%), Taman Desa Bertam (Phase 1C, 2 and 3A) (24.4%) and Atlantis Residences (1,046.8%). The calculation of the GP margin in Atlantis Residences is exceptionally high due to the reversal of overestimated GDC as explained as above. However, as compared to FPE 2019, the decreased GP margin in Taman Desa Bertam (Phase 1C) was due to higher GDC upon completion. We incurred additional roadwork cost which is not factored into our original cost.

The decrease in GP margin of Taman Saujana Heights was mainly due to levies paid to the State Government to enable us to sell Bumiputera lots to non-Bumiputera buyers, as well as more rebate given to purchasers in FPE 2020. The decrease in GP margin of Taman Seri Tuah Permai was due to more rebate given to purchasers during our promotion in FPE 2020. In this respect, we ran clearance promotions for both projects during FPE 2020.

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12. FINANCIAL INFORMATION (Cont'd)

(iii) Other income

	FYE 2017		Audited		FYE 2018		FYE 2019		Unaudited		Audited	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest income	1,187	68.9	1,802	69.0	1,699	68.8	1,113	67.1	1,428	61.6		
Gain on disposal of property, plant and equipment	-	-	107	4.1	461	18.7	246	14.8	277	11.9		
Gain on disposal of subsidiary	-	-	128	4.9	-	-	-	-	-	-		
Deposit forfeiture	377	21.9	289	11.1	34	1.4	70	4.2	133	5.7		
Sales of oil palm fresh fruit bunches	-	-	-	-	122	4.9	103	6.2	6	0.3		
Rental income	1	*	11	0.4	28	1.1	14	0.9	74	3.2		
Others ⁽¹⁾	158	9.2	276	10.5	126	5.1	113	6.8	400	17.3		
	1,723	100.0	2,613	100.0	2,470	100.0	1,659	100.0	2,318	100.0		

Notes:

- * Less than 0.1%
- (1) Others include additional work claim from our buyer, insurance received from the buyer of Atlantis Residences, where we have paid in advance on behalf of them, liquidated and ascertained damages received from the contractors and late payment interest charged to buyers

Comparison between FYE 2017 and FYE 2018

Other income increased by RM0.9 million or 51.7% from RM1.7 million in FYE 2017 to RM2.6 million in FYE 2018. This was mainly due to increase in interest income from financial institution which is in line with higher cash collected from the sale of properties. We have also recorded a gain of disposal of RM0.1 million from the disposal of Widenote to Teo Lay Ban (our Managing Director) as the company was not involved in property development and loss making.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2018 and FYE 2019

Other income decreased by RM0.1 million or 5.5% from RM2.6 million in FYE 2018 to RM2.5 million in FYE 2019. In FYE 2019, we recognised a gain on disposal of motor vehicles of RM0.5 million. In addition, there was income of RM0.12 million earned from fresh fruit bunches harvested from some of our newly acquired vacant land. This was offset by decrease in deposit forfeitures by RM0.26 million and decrease of RM0.2 million of other items of income mainly comprising late payment interest charged to buyers.

Comparison between FPE 2019 and FPE 2020

Other income increased by RM0.6 million or 35.3% from RM1.7 million in FPE 2019 to RM2.3 million in FPE 2020. This was mainly due to higher interest income of RM0.3 million, wages subsidy of approximately RM0.1 million and refund of survey fee for Atlantis Residences of approximately RM0.2 million.

(iv) Other operating expenses

	FYE 2017		Audited		FYE 2019		Unaudited		Audited	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Advertisement and promotion	1,587	8.1	1,269	12.1	1,141	12.3	935	11.6	407	6.2
Bumi release expenses	-	-	-	-	2	*	1	*	-	-
Commission and brokerage	13,952	71.4	5,596	53.4	3,820	41.2	2,792	34.7	1,969	30.3
Deposit and development cost forfeited	-	-	-	-	-	-	-	-	2,495	38.4
Early completion incentive	3,500	17.9	-	-	327	3.5	327	4.1	-	-
LAD	-	-	-	-	792	8.5	702	8.7	12	0.2
Building maintenance cost for our completed projects	479	2.5	1,423	13.6	1,857	20.0	1,713	21.3	1,331	20.5
Maintenance fees	20	0.1	2,197	20.9	1,342	14.5	1,579	19.6	285	4.4
	19,538	100.0	10,485	100.0	9,281	100.0	8,049	100.0	6,499	100.0

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2017 and FYE 2018

Other operating expenses decreased by RM9.0 million or 46.2% from RM19.5 million in FYE 2017 to RM10.5 million in FYE 2018. The was mainly due to lower commission and brokerage paid as substantial units of Atlantis Residences have been sold in FYE 2017. As part of our marketing programme, we are committed to absorb the maintenance fees charged by Atlantis Residences' property management company for 12 months, from the handover date on behalf of the buyer.

Comparison between FYE 2018 and FYE 2019

Other operating expenses decreased by RM1.2 million or 11.5% from RM10.5 million in FYE 2018 to RM9.3 million in FYE 2019. This is mainly due to the lower commission and brokerage in FYE 2019 (decreased by RM1.8 million) as more units in Atlantis Residences in FYE 2018 were sold as compared to FYE 2019. This decrease was offset by higher commission paid for Bali Residences sales in FYE 2019.

The decrease in maintenance fees of RM0.9 million is mainly due to overprovision of Atlantis Residences management fee in FYE 2018.

The decrease was offset by LAD of RM0.8 million for Taman Desa Bertam (Phase 1A & 1B) in FYE 2019. This is due to late delivery of vacant possession by about 1 month. The delay was due to longer time taken for earthworks at the beginning of each phases.

Additionally, in FYE 2019, there is QLASSIC incentive of RM0.3 million given to a contractor for Taman Bertam Putra (Phase 1) for achieving a 70% QLASSIC score.

Comparison between FPE 2019 and FPE 2020

Other operating expenses decreased by RM1.5 million or 18.8% from RM8.0 million in FPE 2019 to RM6.5 million in FPE 2020. The reduction of commission and brokerage in FPE 2020 was due to higher commission paid for Bali Residences in FPE 2019 as most of its sales were made in FPE 2019. Additionally, in FPE 2019, we paid a QLASSIC incentive of RM0.3 million to our contractor for Taman Bertam Putra (Phase 1) and payment of LAD of RM0.7 million to our buyers.

The decrease in maintenance fee of RM1.3 million is because the period for us to absorb management fees for Atlantis Residences has ended, so we only continue to pay maintenance fees for unsold units. However, the decrease in other operating expenses was partially offset by the deposit and development cost forfeited of RM2.5 million for the termination of our purchase of the land under lots number PT 218 and PT 217, both in the Kawasan Bandar XLIV, District of Melaka Tengah, State of Melaka.

12. FINANCIAL INFORMATION (Cont'd)

(v) Administrative expenses

	FYE 2017		Audited		FYE 2018		FYE 2019		Unaudited		Audited	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Annual dinner	246	1.9	270	1.3	249	1.4	249	1.4	249	2.5	133	1.7
Assessment and quit rent	145	1.0	440	0.8	233	1.3	236	1.3	236	2.4	303	3.8
Audit fee	94	0.5	113	0.7	123	0.7	11	0.1	11	0.1	31	0.4
Bad debts written off	-	-	-	-	16	1.5	-	-	-	-	*	-
Bank charges	523	2.8	752	4.4	261	0.1	214	2.2	214	2.2	496	6.2
Compensation	28	0.1	88	0.5	107	0.6	107	1.1	107	1.1	20	0.2
Depreciation	1,100	5.8	1,534	9.1	1,321	7.4	953	9.7	953	9.7	893	11.1
Directors' fees and remuneration	4,677	24.7	4,006	23.7	5,672	31.7	1,798	18.4	1,798	18.4	1,014	12.6
Donation	179	0.9	148	0.9	62	0.3	38	0.4	38	0.4	72	0.9
Electricity and water charges	166	0.9	108	0.6	156	0.9	94	1.0	94	1.0	53	0.7
Entertainment	70	0.4	50	0.3	44	0.2	29	0.3	29	0.3	14	0.2
Insurance	368	1.9	141	0.8	168	0.9	146	1.5	146	1.5	111	1.4
Licence fee	27	0.1	12	0.1	26	0.1	22	0.2	22	0.2	55	0.7
Legal and professional fees	1,070	5.6	1,242	7.4	2,002	11.2	1,420	14.5	1,420	14.5	1,492	18.6
Loss on disposal of property, plant and equipment	62	0.3	-	-	2	*	2	*	2	*	-	-
Medical fee	13	0.1	8	0.1	7	*	5	*	5	*	4	*
Penalty	23	0.1	599	3.6	(62)	(0.3)	(62)	(0.6)	(62)	(0.6)	1	*
Postage, printing and stationery	118	0.6	120	0.7	150	0.8	115	1.2	115	1.2	108	1.3
Property, plant and equipment written off	1,199	6.3	5	*	2	*	-	-	-	-	-	-
Rental	169	0.9	17	0.1	(8)	*	(8)	(0.1)	(8)	(0.1)	-	-
Repair and maintenance	265	1.4	289	1.7	275	1.5	211	2.2	211	2.2	181	2.2
Staff costs	7,535	39.8	6,434	38.0	5,924	33.0	3,113	31.9	3,113	31.9	2,698	33.5

12. FINANCIAL INFORMATION (Cont'd)

	FYE 2017		Audited FYE 2018		FYE 2019		Unaudited FPE 2019		Audited FPE 2020	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Stamp duty	292	1.5	2	*	531	3.0	487	5.0	138	1.7
Travelling and transport charges	92	0.5	152	0.9	99	0.6	67	0.7	46	0.6
Others ⁽¹⁾	501	2.7	381	2.2	561	3.1	523	5.4	175	2.2
	18,962	100.0	16,911	100.0	17,921	100.0	9,770	100.0	8,038	100.0

Notes:

* Less than 0.1%

⁽¹⁾ Others mainly include telephone charges, newspaper, membership subscription, secretarial fee, staff training and recruitment, general expenses, input tax not claimable and etc

Comparison between FYE 2017 and FYE 2018

Administrative expenses decreased by RM2.1 million or 10.8% from RM19.0 million in FYE 2017 to RM16.9 million in FYE 2018 mainly due to the decrease in staff costs and directors' remuneration. Lower staff costs due to lower staff incentives as most of the units in Atlantis Residences have been sold towards the end of FYE 2017. Additionally, there was only minimal amount of property, plant and equipment written off in FYE 2018 compared to FYE 2017.

The increase in depreciation is due to purchase of new motor vehicles and renovation for the sales gallery of Bali Residences during the year. We have also paid a penalty of RM0.6 million when we submitted the revised tax computation vide Inland Revenue Board's Special Voluntary Disclosure Programme ("SVDP") in June 2019 for year of assessment 2015 and 2016, due to adoption of accounting policies from Malaysian Private Entities Reporting Standards ("MPERS") to MFRS. The penalty arose due to the change in accounting policies from MPERS to MFRS which resulted in revisions in estimation of the income tax. In this respect, the adoption of MFRS required us to capitalise and amortise borrowing costs, sales commission and purchaser's legal fees instead of immediately expensing them under MPERS. As such, these expenses were effectively deferred, resulting in additional tax payable for the year of assessment. There was also an increase in bank charges in FYE 2018 due to bank guarantee given to the authorities for Bali Residences which commenced development in FYE 2018.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2018 and FYE 2019

Administrative expenses increased by RM1.0 million or 6.0% from RM16.9 million in FYE 2018 to RM17.9 million in FYE 2019. The increase was mainly attributable to higher legal fee and stamp duty paid for the purchase of landbank as well as professional fees incurred in relation to our Listing in FYE 2019.

There is an increase of RM1.7 million of directors' fee and emoluments as this year there is higher director bonus and fee based on our financial performance. This was partially offset by lower bank charges (decreased by RM0.5 million), staff costs (decreased by RM0.5 million) due to lower staff incentives in line with sales achieved and penalty (decreased by RM0.6 million) being a reversal of overprovision for tax penalty in FYE 2019.

Comparison between FPE 2019 and FPE 2020

Administrative expenses decreased by RM1.8 million or 18.4% from RM9.8 million in FPE 2019 to RM8.0 million in FPE 2020. The decrease was mainly due to the decrease in staff costs by RM0.4 million as there was no company trip in FPE 2020 compared to FPE 2019, and directors' remuneration (decreased by RM0.8 million) following the departure of Datuk Teo Poh Boon.

The lower stamp duty paid in FPE 2020 (decreased by RM0.3 million) was because our landbank purchases made during the period were completed in November 2020, after FPE 2020. In addition, the decrease in other costs by RM0.4 million is because in FPE 2019, we incurred application fees for strata titles for Bali Residences.

There is increase in bank charges of RM0.3 million being bank guarantee for opening of Housing Development Account for Taman Desa Bertam Phase 2 and 3.

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12. FINANCIAL INFORMATION (Cont'd)

(vi) Finance cost

	FYE 2017		Audited FYE 2018		FYE 2019		Unaudited FPE 2019		Audited FPE 2020	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bank overdrafts	540	44.1	377	37.2	200	42.7	121	36.8	314	66.5
Finance lease liabilities	41	3.4	35	3.5	21	4.5	19	5.8	16	3.4
Term loans and bridging loans	184	15.1	197	19.4	197	42.1	154	46.8	110	23.3
Interest charged by Polywell Enterprise on advances to Teladan Setia	458	37.4	354	34.9	-	-	-	-	-	-
Lease liabilities	-	-	51	5.0	50	10.7	35	10.6	26	6.8
	1,223	100.0	1,014	100.0	468	100.0	329	100.0	466	100.0

Comparison between FYE 2017 and FYE 2018

Finance cost decreased by RM0.2 million or 17.0% from RM1.2 million in FYE 2017 to RM1.0 million in FYE 2018. This was mainly due to decrease in bank overdrafts interest coupled with lower utilisation of bank overdrafts facilities during the year.

Comparison between FYE 2018 and FYE 2019

Finance cost decreased by RM0.5 million or 53.8% from RM1.0 million in FYE 2018 to RM0.5 million in FYE 2019. The decrease was mainly attributable to decrease in interest charged by related party and bank overdraft interest.

Comparison between FPE 2019 and FPE 2020

Finance cost increased by RM0.2 million or 41.6% from RM0.3 million in FPE 2019 to RM0.5 million in FPE 2020. The increase was mainly attributable to increase in interest for bank overdrafts.

12. FINANCIAL INFORMATION (Cont'd)**(vii) PBT and PBT margin**

	Audited			Unaudited	Audited
	FYE 2017	FYE 2018	FYE 2019	FPE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
PBT (RM'000)	81,271	65,892	55,337	45,646	23,779
PBT margin (%)	22.6	25.4	23.8	25.9	23.8

PBT decreased by RM15.4 million or 18.9% from RM81.3 million in FYE 2017 to RM65.9 million in FYE 2018 mainly due to lower GP generated from our business. Despite the decreased in GP, our PBT margin increased from 22.6% in FYE 2017 to 25.4% in FYE 2018 in line with the increase in the GP margin from 33.2% in FYE 2017 to 35.4% in FYE 2018. Other contributing factors were an increase in interest income from financial institution which is in line with higher cash collected from the sale of properties, and decrease in other operating expenses and administrative expenses mainly due to the lower commission and staff incentives relating to Atlantis Residences as most units of Atlantis Residences were sold in FYE 2017.

PBT decreased by RM10.6 million or 16.0% from RM65.9 million in FYE 2018 to RM55.3 million in FYE 2019 mainly due to lower GP generated from our business. PBT margin also slight decreased by 1.6% from 25.4% in FYE 2018 to 23.8% in FYE 2019 in line with the decrease in the GP margin from 35.4% in FYE 2018 to 34.6% in FYE 2019.

PBT decreased by RM21.9 million or 47.9% from RM45.6 million in FPE 2019 to RM23.8 million in FPE 2020 in line with the lower GP generated from our business. However, although our GP margin increased from 35.2% to 36.5%, PBT margin decreased from 25.9% to 23.8% in FPE 2020 mainly because we continued to incur fixed operating expenses and administrative expenses whilst the level of our operations (and in turn, our revenue and GP) reduced.

(viii) Taxation

	Audited			Unaudited	Audited
	FYE 2017	FYE 2018	FYE 2019	FPE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Taxation	18,342	17,066	11,935	11,935	6,477
Effective tax rate (%)	22.6	25.9	21.6	26.1	27.2
Statutory tax rate (%)	24.0	24.0	24.0	24.0	24.0

The effective tax rate for FYE 2017 was lower than the statutory tax rate of 24.0% mainly due to tax exemption based on increase in chargeable business income in accordance with the Income Tax Act (Exemption) (No.2) Order 2017 to Asal Harta in FYE 2017. Effectively, Asal Harta was charged a reduced tax rate on the incremental portions of its chargeable business income, in accordance with the order.

The effective tax rate for FYE 2018 was higher than the statutory tax rate of 24.0% mainly due to higher non-deductible expenses such as interest paid to Polywell Enterprise.

12. FINANCIAL INFORMATION (Cont'd)

The tax paid in FYE 2019 of RM18.7 million include additional tax of RM5.1 million paid to Inland Revenue Board under SVDP due to adoption of accounting policies from MPERS to MFRS, which covers the years of assessment from 2014 to 2017.

Our effective tax rate for FYE 2019 of 21.6% was lower than the statutory tax rate of 24.0% due to the reversal of overprovision of taxation of RM1.1 million in Asal Harta and Midas for FYE 2018 in relation to ex-gratia payment to buyers being a goodwill token for extension of time obtained to complete Atlantis Residences. This expense was previously treated as non-deductible expenses, resulting in the overprovision of taxation.

Our effective tax rate for FPE 2020 of 27.2% was higher than the statutory tax rate of 24.0% mainly due to higher non-deductible expenses i.e. the deposit and development cost forfeited arising from the termination of our purchase of land.

12.2.3 Review of financial position**(i) Assets**

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	3,900	5,050	5,348	4,548
Right-of-use assets ⁽¹⁾	-	489	408	283
Inventories	81,977	81,977	171,748	171,748
Deferred tax assets	431	-	-	-
Total non-current assets	<u>86,308</u>	<u>87,516</u>	<u>177,504</u>	<u>176,579</u>
Current assets				
Inventories	229,543	205,877	182,830	193,273
Trade and other receivables	51,827	71,495	27,742	34,310
Contract assets	35,163	17,226	61,052	49,161
Current tax assets	2,640	1,402	1,467	830
Cash and cash equivalents	69,701	85,234	92,297	75,566
Total current assets	<u>388,874</u>	<u>381,234</u>	<u>365,388</u>	<u>353,140</u>
Total assets	475,182	468,750	542,892	529,719

Note:

⁽¹⁾ Please refer to Section 12.1.2 for further explanation on the rights-of-use assets of the Group.

Comparison between FYE 2017 and FYE 2018

Non-current assets increased by RM1.2 million from RM86.3 million in FYE 2017 to RM87.5 million in FYE 2018. This was mainly due to the purchase by Asal Harta of one unit of service apartment of RM0.8 million in Atlantis Residences, resulting in its transfer from inventories to property, plant and equipment. Besides, we have also incurred renovation cost of RM0.7 million for the sales gallery of Bali Residences.

12. FINANCIAL INFORMATION (Cont'd)

Current assets decreased by RM7.6 million from RM388.9 million in FYE 2017 to RM381.2 million in FYE 2018. This was mainly due to decrease in inventories as we have sold more completed units of Atlantis Residences in FYE 2018. The decrease in contract assets was due to completion and hand over of Atlantis Residences. Our cash and cash equivalents also increased due to higher collections from our on-going projects and launching of new projects. The increase in trade and other receivables was mainly due to refundable deposits of RM11.5 million paid for the purchase of land held for development known as Geran 6772 Lot 53, Tanjung Minyak, Melaka, which was completed in FPE 2019.

Comparison between FYE 2018 and FYE 2019

Non-current assets increased by RM90.0 million from RM87.5 million in FYE 2018 to RM177.5 million in FYE 2019. This was mainly due to purchase of land held for development known as Geran 6772 Lot 53, Tanjung Minyak, Melaka.

Current assets decreased by RM15.8 million from RM381.2 million in FYE 2018 to RM365.4 million in FYE 2019. This was due to:

- (i) Decrease in inventories of RM23.0 million as we continue to sell our completed properties;
- (ii) Decrease in trade and other receivables of RM43.8 million, mainly due to:
 - (a) collection of outstanding billing of RM38.5 million comprising mainly cash purchases and progress claims for Taman Desa Bertam (Phase 1A, 1B and 1C), Taman Bertam Putra (Phase 1) and Atlantis Residences. Besides;
 - (b) decrease in deposits due to completion of the purchase of land held for development, resulting in the reclassification of the deposit of RM11.5 million to land held for development in 2019; and
 - (c) partially offset by new deposit of RM2.4 million for 2 new pieces of leasehold land.

On the other hand, there is an increase in contract assets of RM43.8 million mainly due to higher development progress of Bali Residences and Taman Desa Bertam (Phase 1C).

Comparison between FYE 2019 and FPE 2020

Non-current assets decreased by RM0.9 million from RM177.5 million in FYE 2019 to RM176.6 million in FPE 2020. This was mainly due to disposal of motor vehicles and depreciation during the year.

Current assets decreased by RM12.3 million from RM365.4 million in FYE 2019 to RM353.1 million in FPE 2020. This was mainly due to:

- (i) decrease in contract assets of RM6.6 million as completion and handover of Taman Desa Bertam (Phase 1C); and
- (ii) decrease in our cash and cash equivalents by RM16.7 million, mainly from paying out RM13.7 million in dividends.

12. FINANCIAL INFORMATION (Cont'd)**(ii) Liabilities**

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000
Non-current liabilities				
Bank borrowings	86,058	67,965	105,913	104,686
Lease liabilities ⁽²⁾	-	327	270	195
Finance lease liabilities	147	200	369	260
Deferred tax liabilities	19	46	46	46
Total non-current liabilities	<u>86,224</u>	<u>68,538</u>	<u>106,598</u>	<u>105,187</u>
Current liabilities				
Trade and other payables	72,362	⁽¹⁾ 76,139	⁽¹⁾ 68,858	38,040
Bank borrowings	14,810	16,309	22,462	21,618
Contract liabilities	10,267	-	-	-
Lease liabilities ⁽²⁾	-	207	179	120
Finance lease liabilities	333	180	216	180
Current tax liabilities	8,666	6,358	173	2,866
Total current liabilities	<u>106,438</u>	<u>99,193</u>	<u>91,888</u>	<u>62,824</u>
Total liabilities	<u>192,662</u>	<u>167,731</u>	<u>198,486</u>	<u>168,011</u>

Notes:

- (1) Inclusive of dividend payable of RM26.2 million in FYE 2018 and RM13.7 million in FYE 2019
- (2) Please refer to Section 12.1.2 for further explanation on the lease liabilities of the Group.

Comparison between FYE 2017 and FYE 2018

Non-current liabilities decreased by RM17.7 million from RM86.2 million in FYE 2017 to RM68.5 million in FYE 2018 due to repayment of term loans. We are able to repay earlier and higher than monthly installments after we received sufficient collections from our buyers.

Current liabilities decreased by RM7.2 million from RM106.4 million in FYE 2017 to RM99.2 million in FYE 2018 due to decrease in contract liabilities after we commenced the development for Taman Desa Bertam (Phase 1A and 1B) and Taman Bertam Putra (Phase 1). An increase of RM26.2 million in current liabilities also arose from dividends payable. This was offset by a repayment of RM11.2 million to trade payable in relation to the Atlantis Residences project and repayment of advances from Polywell Enterprise together with interest of RM13.5 million.

Comparison between FYE 2018 and FYE 2019

Non-current liabilities increased by RM38.1 million from RM68.5 million in FYE 2018 to RM106.6 million in FYE 2019 mainly due to term loan of RM70.0 million drawn down for the purchase of land held for development known as Geran 6772 Lot 53, Tanjong Minyak, Melaka.

Current liabilities decreased by RM7.3 million from RM99.2 million in FYE 2018 to RM91.9 million in FYE 2019 due to:

- (i) decrease in trade and other payables of RM7.3 million in relation to payment to contractors for Atlantis Residences and Taman Bertam Putra (Phase 1);

12. FINANCIAL INFORMATION (Cont'd)

- (ii) dividend payment of RM12.5 million in FYE 2019 in respect of dividend declared in FYE 2018; and
- (iii) RM6.2 million decrease in current tax liabilities mainly due to RM5.1 million payments made to Inland Revenue Board in FYE 2019 under the SVDP.

Comparison between FYE 2019 and FPE 2020

Non-current liabilities decreased by RM1.4 million from RM106.6 million in FYE 2019 to RM105.2 million in FPE 2020 due to progressive repayment of term loan and finance lease liabilities.

Current liabilities decreased by RM29.1 million from RM91.9 million in FYE 2019 to RM62.8 million in FPE 2020 mainly due to decrease in trade and other payables of RM30.8 million comprising mainly:

- (i) the released retention sum of RM8.1 million to our contractor when it was due; and
- (ii) dividend payment of RM13.7 million in FPE 2020 in respect of dividends declared in FYE 2018.

The decrease in current liabilities was slightly offset by the increase in current tax liabilities by RM2.7 million due to revised tax instalments for the remainder of 2020 as our previous monthly tax instalments for FPE 2020 were underestimated.

12.2.4 Review of cash flows

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000
Net cash generated from operating activities	63,550	44,407	62,075	4,438
Net cash used in investing activities	(28,540)	(12,169)	(9,029)	(280)
Net cash used in financing activities	(17,349)	(26,238)	(47,051)	(22,160)
Net changes	17,661	6,000	5,995	(18,002)
At beginning of financial year/period	44,306	61,967	67,967	73,962
At end of financial year/period	61,967	67,967	73,962	55,960

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12. FINANCIAL INFORMATION (Cont'd)

FYE 2017

Net cash for operating activities

In FYE 2017, we generated operating cash flows before working capital changes of RM83.6 million. Our net cash from operating activities was RM63.6 million after accounting for key items as set out below:

- (a) Increase in trade and other receivables of RM9.8 million mainly due to outstanding progress billings from the cash buyers and financial institutions who have yet to release payments to us for their lenders, mainly from Atlantis Residences;
- (b) Increase in contract assets of RM21.6 million mainly due to increase in accrued billings of RM27.5 million for Atlantis Residences as the construction progress is ahead of the billings issued to property buyers;
- (c) Decrease in inventories of RM1.7 million mainly due to sales and completion of the Atlantis Residences (Tower A and B) during the year. This was partially offset by the increase of GDC for other projects such as Taman Desa Bertam – Phase 1A, 1B and 1C (RM10.1 million) and Taman Bertam Putra (Phase 1) (RM4.3 million);
- (d) Increase in contract liabilities of RM10.3 million due to first 10% billing to buyers for Taman Desa Bertam (Phase 1A, 1B and 1C) and Taman Bertam Putra (Phase 1) upon signing of sale and purchase agreement;
- (e) Increase in trade and other payables of RM16.6 million mainly due to higher accruals of GDC and final billings pending from contractors from Atlantis Residences; and
- (f) Interest received of RM1.2 million and net payment of tax of RM18.4 million.

Net cash for investing activities

In FYE 2017, we recorded net cash used in investing activities of RM28.5 million mainly due to:

- (a) Purchase of land held for development in Pekan Baru Sungai Besi, Selangor with internally generated funds of RM26.6 million. The remaining RM49.0 million was financed through term loans;
- (b) Purchase of motor vehicles of RM0.7 million and renovation for our sales gallery in Bali Residences of RM0.5 million; and
- (c) Pledge of fixed deposit of RM0.8 million to financial institutions.

The cash outflows above were partially offset by proceeds from disposal of freehold building and furniture and fittings of RM0.4 million.

Net cash for financing activities

In FYE 2017, we recorded net cash used in financing activities of RM17.4 million mainly due to:

- (a) Repayment of loans and finance lease liabilities of RM34.1 million;
- (b) Dividend payment of RM4.8 million;

12. FINANCIAL INFORMATION (Cont'd)

- (c) Acquisition of remaining equity interest of 2.5% in Riverwell of RM0.5 million; and
- (d) Interest payment of RM5.0 million.

The cash outflows above were partially offset by drawdown of term loans and bridging loans of RM27.0 million to finance our working capital for Atlantis Residences and Taman Desa Bertam (Phase 1A, 1B and 1C).

FYE 2018

Net cash for operating activities

In FYE 2018, we generated operating cash flows before working capital changes of RM66.4 million. Our net cash from operating activities was RM44.4 million after accounting for key items as set out below:

- (a) Increase in trade and other receivables of RM19.8 million mainly due to outstanding progress billings from the cash buyers and financial institutions who have yet to release payments to us for their lenders, mainly from Taman Desa Bertam (Phase 1A and 1B). Besides, we have also paid a refundable deposit of RM11.5 million for the purchase of land held for development known as Geran 6772 Lot 53, Tanjong Minyak, Melaka;
- (b) Decrease in contract liabilities of RM10.3 million after we commenced our development work for Taman Desa Bertam (Phase 1A, 1B and 1C) and Taman Bertam Putra (Phase 1);
- (c) Decrease in trade and other payables of RM21.2 million due to repayment of RM13.5 million to Polywell Enterprise (a related party) in relation to advances provided;
- (d) Decrease in inventories of RM27.8 million mainly due to sales and completion of Atlantis Residences during the year;
- (e) Decrease in contract assets of RM17.9 million mainly due to decrease in accrued billing for Atlantis Residences as this project was fully completed during the financial year; and
- (f) Interest received of RM1.8 million and net payment of tax of RM18.3 million.

Net cash for investing activities

In FYE 2018, we recorded net cash used in investing activities of RM12.1 million mainly due to:

- (a) Pledge of fixed deposit of RM10.3 million to financial institutions for additional bank guarantees obtained for the housing authority being amount of earnest deposit for Taman Bertam Putra (Phase 1), Taman Desa Bertam (Phase 1A, 1B and 1C) and Bali Residences;
- (b) Purchase of motor vehicles of RM0.8 million and renovation for our sales gallery in Bali Residences of RM0.7 million; and
- (c) Net cash outflows from disposal of Widenote of RM0.4 million.

12. FINANCIAL INFORMATION (Cont'd)

The cash outflows above were partially offset by proceeds from disposal of motor vehicles of RM0.1 million.

Net cash for financing activities

In FYE 2018, we recorded net cash used in financing activities of RM26.2 million mainly due to:

- (a) Repayment of loans and finance lease liabilities of RM49.8 million;
- (b) Dividend payment of RM4.0 million; and
- (c) Interest payment of RM5.9 million.

The cash outflows above were partially offset by drawdown of term loans and bridging loans of RM33.6 million to finance our working capital requirements in Taman Desa Bertam (Phase 1A and 1B and 1C).

FYE 2019**Net cash for operating activities**

In FYE 2019, we generated operating cash flows before working capital changes of RM55.0 million. Our net cash from operating activities was RM62.1 million after accounting for key items as set out below:

- (a) Decrease in inventories of RM30.0 million mainly due to decrease in completed properties after we offered more attractive incentive to the buyers to encourage sales for our completed units and also completion of Taman Desa Bertam (Phase 1A and 1B);
- (b) Decrease in trade and other receivables of RM32.2 million mainly due to collection of outstanding progress billings from cash buyers and release of progress payments by end-financiers mainly in relation to Taman Desa Bertam (Phase 1A and 1B);
- (c) Increase in contract assets of RM43.8 million due to increase in accrued billings of RM29.1 million for Bali Residences and RM11.9 million for Taman Desa Bertam (Phase 1C) as the construction progress is recognised ahead of net billings issued to property buyers;
- (d) Increase in trade and other payables of RM5.1 million mainly due to higher construction progress for Taman Desa Bertam (Phase 1A, 1B and 1C) and Bali Residences.
- (e) Interest received of RM1.7 million and net payment of tax of RM18.1 million.

Net cash for investing activities

In FYE 2019, we recorded net cash used in investing activities of RM9.0 million mainly due to:

- (a) Purchase of land held for development known as Geran 6772 Lot 53, Tanjong Minyak, Melaka with internally generated funds of RM8.3 million. The remaining RM70.0 million was financed through term loans; and
- (b) Purchase of motor vehicles of RM1.1 million.

12. FINANCIAL INFORMATION (Cont'd)

The cash outflows above were partially offset by proceeds from disposal of motor vehicles of RM0.5 million.

Net cash for financing activities

In FYE 2019, we recorded net cash used in financing activities of RM47.1 million mainly due to:

- (a) Repayment of loans and finance lease liabilities of RM45.3 million;
- (b) Dividend payment of RM12.5 million; and
- (c) Interest payment of RM7.4 million.

The cash outflows above were partially offset by drawdown of term loans and bridging loans of RM18.2 million to finance our working capital requirements in Bali Residences.

FPE 2020

Net cash for operating activities

In FPE 2020, we generated operating cash flows before working capital changes of RM23.4 million. Our net cash from operating activities was RM4.4 million after accounting for key items as set out below:

- (a) Increase in inventories of RM5.5 million mainly due to increase in GDC for Taman Desa Bertam Phase 2 and 3A and Bali Residences;
- (b) Increase in trade and other receivables of RM6.6 million mainly due to outstanding progress billings from the cash buyers and financial institutions have yet to release payments to us for their lenders, mainly from Taman Desa Bertam (Phase 2 and 3A). Besides, we have also paid a refundable deposit to Majlis Bandaraya Melaka Bersejarah of RM1.2 million for earthwork carried out for our new development land;
- (c) Decrease in contract assets of RM11.9 million mainly due to decrease in accrued billing for Taman Desa Bertam (Phase 1C) as this project was fully completed during the financial year;
- (d) Decrease in trade and other payables of RM17.1 million due to repayment of RM8.2 million to our contractors for the retention sum due; and
- (e) Interest received of RM1.4 million and net payment of tax of RM3.2 million.

Net cash for investing activities

In FPE 2020, we recorded net cash used in investing activities of RM0.3 million mainly due to pledge of fixed deposit of RM0.6 million to financial institutions for additional bank guarantees obtained for housing authority and placed as an earnest deposit for Taman Desa Bertam (Phase 2).

The cash outflows above were partially offset by proceeds from disposal of motor vehicles of RM0.3 million.

12. FINANCIAL INFORMATION (Cont'd)

Net cash for financing activities

In FPE 2020, we recorded net cash used in financing activities of RM22.2 million mainly due to:

- (a) Repayment of loans and finance lease liabilities of RM26.5 million;
- (b) Dividend payment of RM13.7 million; and
- (c) Interest payment of RM5.4 million

The cash outflows above were partially offset by drawdown of term loans and bridging loans of RM23.5 million to finance our working capital requirements in Bali Residences.

12.3 LIQUIDITY AND CAPITAL RESOURCES**12.3.1 Working capital**

We finance our operations with cash generated from operations, credit extended by trade payables and/or financial institutions as well as cash and bank balances. Our facilities from financial institutions comprise term loans, bank overdrafts, bridging loans, bank guarantees as well as finance lease liabilities.

Our Board is confident that our working capital will be sufficient for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus, taking into consideration the following:

- (a) Our cash and cash equivalent of approximately RM52.4 million as at LPD,;
- (b) Our expected future cash flows from operations;
- (c) Our total banking facilities as at LPD of RM188.5 million (excluding finance leases), of which RM146.1 million have been utilised; and
- (d) Our pro forma gearing level of 0.37 times, based on our pro forma statements of financial position as at 30 September 2020 after the Acquisition and subsequent events, Public Issue and utilisation of proceeds.

We carefully consider our cash position and ability to obtain further financing before making significant capital commitments, such as new land acquisition and commencement of new property development projects.

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12. FINANCIAL INFORMATION (Cont'd)

12.4 BORROWINGS

All of our borrowings are secured and interest-bearing. Our total outstanding borrowings as at 30 September 2020 stood at RM126.7 million, details of which are set out below:

Purpose	Security	Tenure	Effective interest rate %	As at	
				30 September 2020	
RM'000					
Interest bearing short-term borrowings, payable within 1 year:					
Bank overdrafts	Working capital	(i) Fixed charge over land and buildings (ii) Joint and several guarantee by the late Datuk Teo Poh Boon and our Managing Director ⁽³⁾	On demand	7.1	5,428
Term loans	Purchase of land held for development	(i) Fixed charge over land and buildings (ii) Joint and several guarantee by the late Datuk Teo Poh Boon and our Managing Director ⁽³⁾	Between 5 to 15 years	3.3 – 7.9	16,190
	Working capital				
	Purchase of leasehold building				
	Key man insurance				
Finance lease liabilities	Purchase of motor vehicles	(i) Assets purchased through the facility	4 years	4.5 – 4.9	180
Interest bearing long-term borrowings, payable after 1 year:					
Term loans	Purchase of land held for development	(i) Fixed charge over land and buildings (ii) Joint and several guarantee by the late Datuk Teo Poh Boon and our Managing Director ⁽³⁾	Between 5 to 15 years	3.3 – 7.9	104,686
	Working capital				
					21,798

12. FINANCIAL INFORMATION (Cont'd)

	Purpose	Security	Tenure	Effective interest rate %	As at
					30 September 2020
					RM'000
	Purchase of leasehold building				
	Key man insurance				
Finance lease liabilities	Purchase of motor vehicles	(i) Assets purchased through the facility	4 years	4.5 – 4.9	260
					104,946
					126,744

Total borrowings

Gearing (times)

After Acquisition and subsequent events but before Public Issue ⁽¹⁾

After Acquisition, and subsequent events, Public Issue and utilisation of proceeds ⁽²⁾

0.4
0.3

Notes:

- (1) Computed based on our pro forma equity attributable to the owners of the Company of RM361.7 million in the pro forma statements of financial position after the Acquisition and subsequent events, but before Public Issue and proposed utilisation of proceeds
- (2) Computed based on our pro forma equity attributable to the owners of the Company of RM433.8 million in the pro forma statements of financial position after the Acquisition, and subsequent events, Public Issue and utilisation of proceeds which includes the repayment of bank borrowings of RM4.0 million
- (3) In conjunction with the Listing, we have obtained conditional approval for the release and/or discharge of the guarantees from our Financiers by substituting the same with a corporate guarantee from our Company. Until such release and/or discharge are perfected, our Managing Director will continue to guarantee the banking facilities extended to our Group

12. FINANCIAL INFORMATION (Cont'd)

Separately, we have also recognised the following lease liabilities:

Purpose	Tenure	As at 30 September 2020 RM'000
Lease liabilities payable within 1 year	Between 2 to 3 years	120
Lease liabilities payable after 1 year	Between 2 to 3 years	195

As at LPD, we do not have any borrowings which are non-interest bearing and/or in foreign currency. We have not defaulted on payments of principal sums and/or interests in respect of any of our borrowings throughout FYE 2017 to 2019, FPE 2020 and up to LPD.

As at LPD, neither our Company nor any of our subsidiaries is in breach of any terms and conditions or covenants associated with the credit arrangement or bank loan which can materially affect our financial position and results or business operations or the investments by holders of our securities.

Over FYE 2017 to 2019 and FPE 2020, we have not experienced any claw back or reduction in the facilities limit granted to us by our lenders.

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12. FINANCIAL INFORMATION *(Cont'd)*

12.5 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES

Save as disclosed in Section 12.4 above, we do not have or utilise any other financial instruments or have any other treasury policies. All our financial instruments are used towards purchase of property, plant and equipment and our property development business. As at 30 September 2020, save for our finance lease liabilities which are based on fixed rates, all our other facilities with licensed financial institutions are based on base lending rate plus or minus a rate which varies depending on the type of facility.

12.6 MATERIAL CAPITAL COMMITMENTS

As at LPD, save as disclosed below, we do not have any other material capital commitments:

	<u>RM'000</u>
Land held for property development:	
Authorised and contracted for	<u>35,024</u>
Freehold land:	
Authorised but not contracted for	<u>4,010</u>
Acquisition of Polyintan:	
Authorised and contracted for	<u>11,468</u>

The above land held for property development comprises 7 parcels of land which we are in the process of acquiring. The amount contracted for the acquisition of Polyintan includes the settlement of amount owing by Polyintan to Polywell Enterprise of RM9.6 million. The material capital commitments above shall be funded through our internally generated funds and/or bank borrowings at our discretion.

12.7 MATERIAL LITIGATION AND CONTINGENT LIABILITIES

We are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and there is no proceeding pending or threatened or any fact likely to give rise to any proceeding which might materially or adversely affect our position or business as at LPD.

As at LPD, save as disclosed below, our Directors confirm that there are no material contingent liabilities incurred by our Group, which upon becoming enforceable may have a material effect on our Group's business, financial results or position:

	<u>RM'000</u>
Bank guarantees for deposits with the housing and local authorities as well as utilities provider	18,156

For housing authorities, bank guarantees are the earnest money which is required to be deposited with the Pengawal Perumahan in accordance with the requirement of Section 6(1)(a) or 6(1)(b) of the Housing Development (Control & Licensing) Act 1966, as a guarantee for the due performance of the licensee's obligations under the said act and rules.

12. FINANCIAL INFORMATION (Cont'd)

For other utilities providers such as Indah Water Konsortium, Jabatan Kerja Raya and Tenaga Nasional Berhad, we need to give guarantee when handing over our completed property development to them.

We also give bank guarantee to local authorities with respect to building maintenance cost under subsection 92(1) of the Strata Management Act 2013.

12.8 KEY FINANCIAL RATIOS

The key financial ratios of our Group for FYE 2017 to 2019 and FPE 2020 are as follows:

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FPE 2020
Trade receivables turnover (days) ⁽¹⁾	38	67	55	54
Trade payables turnover (days) ⁽²⁾	31	50	57	93
Current ratio (times) ⁽³⁾	1.5	1.8	2.0	2.5
Gearing ratio (times) ⁽⁴⁾	0.4	0.3	0.4	0.4

Notes:

- (1) Computed based on average trade receivables as at year/period end over revenue for the year multiplied by 365 days for each financial year and 274 days for FPE 2020
- (2) Computed based on average trade payables (excluding retention sum) as at year/period end over costs of sales for the year multiplied by 365 days for each financial year and 274 days for FPE 2020
- (3) Computed based on current assets (excluding inventories which consists of completed units, property development costs and others (being installed design packages for Atlantis Residences) as these items are not readily convertible into cash) over current liabilities as at each financial year/period end
- (4) Computed based on total borrowings over total equity as at each financial year/period end

12.8.1 Trade receivables turnover

The normal credit period granted by our Group to our buyers as provided in the sales and purchase agreements is 30 days from the date of progress billings. As the revenue for our property development activities will be recognised using the percentage of completion method, the movements in our Group's revenue from property development activities may not be in line with the movements in the trade receivables turnover days as trade receivables are recorded based on progress billings issued to the end buyers.

Our trade receivables turnover days for FYE 2017 to 2019 and FPE 2020 were between 38 to 67 days, which have exceeded the credit period granted to our buyers mainly due to longer processing time taken by the end-financiers before releasing the payment to us.

12. FINANCIAL INFORMATION (Cont'd)

The ageing analysis of our trade receivables as at 30 September 2020 is as follows:

	Trade receivables as at 30 September 2020		Amount collected subsequent from 1 October 2020 up to LPD		Trade receivables net of subsequent collections	
	RM'000 (a)	Percentage of trade receivables (a)/total of (a)	RM'000 (b)	Percentage collected (b)/(a)	RM'000 (c) = (a)-(b)	Percentage of trade receivables net of subsequent collections (c)/total of (c)
Neither past due nor impaired	9,760	43.8	7,126	73.0	2,634	44.7
Past due but not impaired:						
• 1 to 30 days	6,574	29.5	4,471	68.0	2,103	35.6
• 31 to 120 days	4,658	20.9	3,957	85.0	701	11.9
• More than 120 days	1,278	5.8	816	63.9	462	7.8
Total	22,270	100.0	16,370	73.5	5,900	100.0

The increase in trade receivable turnover in FYE 2018 was mainly due to a delay in the release of payment by end-financiers of the Taman Desa Bertam project to our Group. This happens midway through projects, as initial progress claims' payment released by end-financiers are issued directly to repay our term loan and/or bridging loan utilised for the project's development. These initial payments are known as redemption sums. Once the redemption sum for a particular subdivided title has been fully paid off, the end-financier will withhold further progress claims' payment until the subdivided title has been discharged from our loan financier and charged to the end-financiers. Pending such payment, the outstanding progress claim will be our trade receivables.

The discharge and charge process of the subdivided titles is not immediate and usually takes a few weeks as our loan financier needs some time to process the redemption sum payments and execute the discharge documents. After which, the end-financiers' lawyers will be able to execute the charge of the subdivided titles at the land office in favour of the end-financiers. The increase in trade receivables turnover is a one-off occurrence related to the performance of one of our financiers.

Our Group does not have any significant credit risk as we are principally a property developer and we sell our properties to a large number of buyers using financing from reputable end-financiers.

12. FINANCIAL INFORMATION (Cont'd)

Our Group has not encountered any major disputes with our debtors. With respect to overdue debts, we have generally been able to collect payment eventually as evident by our subsequent collections after FPE 2020. As such, our management was of view that the overdue trade receivables were recoverable and no impairment was made in FPE 2020. Our management closely monitors the recoverability of our overdue trade receivables on a regular basis, and, when appropriate, provides for impairment of these trade receivables. Trade receivables comprise substantially of amounts due from buyers with end financing facilities from end-financiers.

In respect of buyers with no end financing facilities, the Group retains the legal title to all properties sold until the full contracted sales value is settled. Accordingly, under normal circumstances, amount due from buyers are not impaired. The sales and purchase agreement generally provide that, in the event of a cancellation of the sale by the purchaser, 10% of the purchase price shall be forfeited to the developer and the balance shall be refunded to the purchaser. In particular, if there is cancellation of sales, 10% of the purchase price shall be forfeited if 50% of the purchase price has been paid. Whereas, 20% of the purchase price shall be forfeited if more than 50% of the purchase price has been paid. The balance shall be refunded to the purchaser. In the past, we have experienced cancellations of sales, and the deposits forfeited were recognised as other income. Upon cancellation and refund, the accounting of the progress billings, attributable profit recognised, cash received and trade receivables are reversed, while the corresponding costs incurred to-date on the cancelled unit is reclassified to property development costs. We then record the forfeiture of deposit as other income. Save for the reversal of any profits or losses from the progress billings and the income from the forfeiture, there is no other significant impact of such cancellations to us. For the financial years /period under review up to the LPD, there have been 6 cancellation of sales of such nature.

12.8.2 Trade payables turnover

We award construction works of our property development projects to third party contractors. Trade payables are recognised at their original invoice amounts which represent their fair value on initial recognition. We have been granted credit terms of 30 to 120 days from the date of invoice by our contractors and suppliers. Our trade payables turnover days were between 31 to 93 days for the financial years/period under review.

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12. FINANCIAL INFORMATION (Cont'd)

The ageing analysis of our trade payables as at 30 September 2020 is as follows:

	Trade payables as at 30 September 2020		Amount paid subsequent from 1 October 2020 up to LPD		Trade payables net of subsequent payment	
	RM'000 (a)	Percentage of trade payables (a)/total of (a)	RM'000 (b)	Percentage paid (b)/(a)	RM'000 (c) = (a)-(b)	Percentage of trade payables net of subsequent payments (c)/total of (c)
Neither past due nor impaired	17,307	54.3	16,965	98.0	342	2.3
Past due but not impaired:						
• 1 to 30 days	152	0.5	-	-	152	1.0
• 31 to 120 days	14	*	14	100.0	-	-
• More than 120 days	85	0.3	-	-	85	0.6
	251	0.8	14	5.6	237	1.6
Retention sum ⁽¹⁾	14,281	44.9	-	-	14,281	96.1
Total	31,839	100.0	16,979	53.3	14,860	100.0

Note:

* Less than 0.1%

⁽¹⁾ Held for various projects and is due between years 2020 to 2023.

Our trade payables turnover increased from 57 days in FPE 2019 to 93 days in FPE 2020 mainly due to slower processing of payments by the housing development account holding bank in relation to Taman Desa Bertam (Phase 1C) during the MCO period. We had deposited the requisite amounts due for payment in these accounts, but the release of these amounts to our creditors was not timely processed by the banks handling these accounts. Nonetheless, as at 30 September 2020, 0.8% of our outstanding trade payables exceeded the credit period given by our suppliers. Save as disclosed in the table above, there are no outstanding trade payables which exceed their credit period. These outstanding trade payables are all due to consultants or contractors. They were overdue as overall payment processing was slow in general due to processing delays and/or ensuring that documentation from consultants/contractors is in order prior to payment. There are no disputes in respect of any trade payables and no legal action has been initiated by our suppliers to demand for payment. Nonetheless, the Group shall monitor its payment processes more closely to avoid future delays in payment.

12. FINANCIAL INFORMATION (Cont'd)**12.8.3 Current ratio**

Our current ratio throughout the financial years/period under review is as follows:

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000
Current assets ⁽¹⁾	159,331	175,357	182,558	159,867
Current liabilities	106,438	99,193	91,888	62,824
Net current assets	52,893	76,164	90,670	97,043
Current ratio (times)	1.5	1.8	2.0	2.5

Note:

- (1) Adjusted to exclude inventories which consists of completed units, property development costs and others (being installed design packages for Atlantis Residences) as these items are not readily convertible into cash

Our current ratio maintained throughout the financial years/period under review, ranging from 1.5 to 2.5 times. This indicates that our Group is capable of meeting our current obligations as our current assets such as inventory and trade receivables, which can be readily converted to cash, together with our cash in the bank are enough to meet immediate current liabilities.

12.8.4 Gearing ratio

Our gearing ratio throughout the financial years/period under review is as follows:

	Audited			
	FYE 2017	FYE 2018	FYE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000
Total borrowings	101,348	85,188	129,409	127,059
Total equity	282,520	301,019	344,406	361,708
Gearing ratio (times)	0.4	0.3	0.4	0.4

Our gearing ratio maintained between 0.3 and 0.4 times throughout the financial years/period under review. The changes in gearing ratio was mainly due to movement in term loan balances due to additional term loans drawn down to purchase land held for development or repayment of outstanding term loans.

12.8.5 Inventories ageing

Inventories held by our Group comprise land held for development, property development costs and completed units. For this analysis, we only consider the completed units. The completed units comprise various types of properties from many of our completed projects, namely double storey terrace houses, double storey semi-detached houses, double storey bungalows, double and single storey shop houses, low cost apartments, service apartments and bungalow lands.

12. FINANCIAL INFORMATION (Cont'd)

Our Group's cost of sales for development properties is recognised based on the percentage of completion for each property development project. On the other hand, completed units which are unsold remain as inventories indefinitely until sold. The value of our inventories at the end of any financial year/period may not correspond to our cost of sales as each of our property development projects have specific project costing.

Based on the above, the calculation of inventory turnover (i.e. average inventories as at year/period end over cost of sales for the year/period) may be distorted in both the numerator and denominator, and as such, the ratio may not yield a meaningful analysis.

The ageing analysis of our inventories (only completed units) as at 30 September 2020 is as follows:

	Less than 1 year	1 to 2 years	More than 2 years	Total
	RM'000	RM'000	RM'000	RM'000
Inventories	610	23,716	19,269	43,595
% of total inventories	1.4	54.4	44.2	100.0

The inventories aged less than 2 years mainly comprise service apartments (54.7%), shophouses (27.5%), double storey terrace houses (8.8%) and low cost apartments (0.2%).

The inventories aged more than 2 years mainly comprise shophouses (45.2%), service apartments (36.0%) and double storey bungalows (15.2%). Such units are generally less affordable than our other developments and hence will require longer time to sell.

We do not have a specific impairment policy on unsold units and we assess them as and when we need to. In our experience, our unsold units have not depreciated in value in the past, but generally appreciate instead. In this respect, we have flexibility to price the unsold units at a discount to market value, close to the initial selling price, without incurring losses.

Our Group may consider impairing its inventory only if it expects to sell such inventory lower than its cost. Our Group has experienced the need for downward revisions in its properties' selling price to encourage buyer interest. However, save for the disposal of irregular items such as oddly shaped bungalow land, we have never discounted to a level that is below the inventory's cost.

12.9 SIGNIFICANT FACTORS AFFECTING OUR REVENUE

Section 9 details a number of risk factors relating to our business and the industry in which we operate. Some of these risk factors have an impact on our Group's revenue and financial performance. The main factors which affect our revenues and profits include but are not limited to the following:

- (i) We are subject to the prevailing market conditions in the property market in Malaysia and specifically, in Melaka

As most of our property development projects are located in Melaka, we are dependent on the prevailing market conditions of the property market in Malaysia and specifically, in Melaka, for the sales performance of our properties as well as the development planning of our future projects. This includes factors beyond our control such as changes in political environment or sudden outbreak of diseases.

12. FINANCIAL INFORMATION (Cont'd)

- (ii) We are affected by the outbreak of Covid-19 and the MCO

The outbreak of the Covid-19 virus has spread to many countries around the world. As at LPD, the MCO has resulted in delays in the progress of our projects, and will continue to delay so long as the MCO persists with restrictions.

- (iii) We are exposed to unexpected interruptions or delays in completing a project caused by external factors (including natural disasters or sudden crisis such as outbreak of diseases)

The timely completion of property development projects undertaken by our Group is dependent on many external factors inherent in property development. Any prolonged interruptions or delays in completing a project may result in our property buyers imposing LAD on us which could affect our GDC, volatility in our revenue and profitability as well as cash flows.

12.10 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 9.2.1.

12.11 IMPACT OF INFLATION

Although our property development projects typically takes between 24 to 48 months to complete, we have entered into sale and purchase agreement with the buyers, with an agreed property price and have awarded the construction contract to the contractors, with an agreed contract sum. As such, we are not directly affected by inflation for FYE 2017 to 2019 and FPE 2020. However, there is no assurance that our financial performance will not be adversely affected by the impact of inflation moving forward.

12.12 IMPACT OF FOREIGN EXCHANGE RATES, INTEREST RATES AND/OR COMMODITY PRICES ON OUR GROUP'S OPERATIONS**12.12.1 Impact of foreign exchange rates**

Our transactions are solely denominated in RM.

12.12.2 Impact of interest rates

Exposure to changes in interest rate risk relates primarily to the borrowings from the banks. We do not generally hedge interest rate risks.

A sensitivity analysis has been performed on our Group based on the outstanding floating rate of the bank borrowings as at 30 September 2020, the PAT for FPE 30 September 2020 would increase or decrease by about RM1.0 million, as a result of higher or lower interest rates of 100 basis points on these borrowings.

Our Group's financial results for FYE 2017 to 2019 and FPE 2020 were not materially affected by fluctuations in interest rates.

12.12.3 Impact of commodity prices

We are not directly affected by fluctuations in commodity prices for FYE 2017 to 2019 and FPE 2020.

12. FINANCIAL INFORMATION (Cont'd)

12.13 ORDER BOOK

The nature of our Group's business is property development and hence sales of properties are commonly on a one-off basis. As such, our Group does not have an order book.

12.14 DIRECTORS' DECLARATION ON OUR GROUP'S FINANCIAL PERFORMANCE

Our Board is of the opinion that:

- (i) Our Group's revenue will remain sustainable notwithstanding the moderate outlook of the property development industry as set out in the IMR Report in Section 8, which is expected to experience slower demand in the near future, premised on the expected slowdown in economic activities in view of the outbreak of the Covid-19 virus in early 2020;
- (ii) Our liquidity will improve further subsequent to the Public Issue given the additional funds to be raised for our Group to carry out our business strategies as stated in Section 7.12; and
- (iii) Our capital resources will strengthen, taking into account the amount to be raised from the IPO as well as internally generated funds. We may consider debt funding for our capital expansion should the need arises.

In addition to the above, our Board confirms that there are no circumstances which would result in a significant decline in our revenue and GP margins or know of any factors that are likely to have a material impact on our liquidity, revenue or profitability.

12.15 TREND INFORMATION

Based on our track record for FYE 2017 to 2019 and FPE 2020, the following trends may continue to affect our business:

- (i) We generated our entire revenue from property development and we will continue to focus in this segment;
- (ii) Melaka has been our main focus in terms of geographical locations and we will continue to focus in this location;
- (iii) The main components of our cost of sales are payment to main contractors as we do not have any in-house construction. We do not intend to set up our own in-house construction in the future; and
- (iv) We achieved GP margins of 33.2%, 35.4%, 34.6% and 36.5% for FYE 2017, 2018, 2019 and FPE 2020 respectively. Moving forward, our GP margin will depend on, amongst others, our continued ability to manage our costs efficiently and price our properties competitively.

As at LPD, after all reasonable enquiries, our Board confirms that, our operations have not been and are not expected to be affected by any of the following:

- (i) Known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those discussed in Sections 12.2, 12.9 and 12.12;

12. FINANCIAL INFORMATION (Cont'd)

- (ii) Material commitments for capital expenditure save as disclosed in Section 12.6;
- (iii) Unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as discussed in Sections 12.2, 12.9 and 12.12;
- (iv) Known trends, demands, commitments, events or uncertainties that have resulted in a substantial increase in our Group's revenue save for those that had been discussed in Sections 12.2, 12.9 and 12.12; and
- (v) Known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not necessarily indicative of the future financial performance and position other than those discussed in Sections 12.2, 12.9 and 12.12.

Given the moderate outlook of the property development industry in Melaka as set out in the IMR Report in Section 8, the status of our property sales which is not materially affected by the impact of the Covid-19 and MCO situation at this juncture, our Board believes that our revenue will remain sustainable for this immediate financial year. Nevertheless, with our Group's competitive advantages set out in Section 7.11 and our Group's intention to implement the business strategies as set out in Section 7.12, our Board remains optimistic about the long-term future prospects of our Group.

12.16 DIVIDEND POLICY

As our Company is an investment holding company, our income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries, present or future. Our subsidiaries will require its financiers' consent as set out in the respective facility agreements to pay dividends to our Company. Save for compliance with the solvency requirement under the Act, which is applicable to all Malaysian companies, there are no legal, financial, or economic restrictions on the ability of our existing subsidiary to transfer funds in the form of cash dividends, loans or advances to us. Moving forward, the payment of dividends or other distributions by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of directors deem relevant.

Dividends we declared and paid from FYE 2017 to 2019 and FPE 2020 were as follows:

	FYE 2017	FYE 2018	FYE 2019	FPE 2020
	RM'000	RM'000	RM'000	RM'000
Dividends declared	4,750	30,200	-	-
Dividends paid	4,750	4,000	12,500	13,700

Subsequent to FPE 2020, no dividends were declared.

Our Board intends to recommend and distribute a dividend of at least 20% of our annual audited consolidated PAT attributable to our shareholders. Any dividend declared will be at the discretion of our Board and any final dividends declared will be subject to approval of our shareholders at our annual general meeting.

You should take note that this dividend policy merely describes our current intention and shall not constitute legally binding statements in respect of our future dividends that are subject to our Board's discretion.

12. FINANCIAL INFORMATION (Cont'd)

When recommending the actual dividends for approval by shareholders or when declaring any interim dividends, our Board will consider, amongst others:

- (i) our anticipated future operating conditions as well as future expansion, capital expenditures and investment plans;
- (ii) our operating cash flow requirements and financing commitments;
- (iii) our expected financial performance including return on equity and retained earnings;
- (iv) any restrictive covenants contained in our current and future financing arrangements;
- (v) the availability of adequate reserves and cash flows; and
- (vi) any material impact of tax laws and regulatory requirements.

Actual dividends proposed and declared may vary depending on the financial performance and cash flows of our Group, and may be waived if the payment of the dividends would adversely affect the cash flows and operations of our Group.

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12. FINANCIAL INFORMATION (Cont'd)**12.17 CAPITALISATION AND INDEBTEDNESS**

The table below summarises our capitalisation and indebtedness:

- (i) Based on the latest unaudited financial information as at 31 December 2020; and
- (ii) After adjusting for the effects of Acquisition and subsequent events, IPO and utilisation of proceeds.

	TSG	I	II	III
	As at 31 December 2020	After Acquisition and subsequent events	After I and IPO	After II and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
Indebtedness⁽¹⁾				
Current				
Bank overdrafts	-	5,141	5,141	1,141
Bridging loans	-	4,353	4,353	4,353
Term loans	-	16,435	16,435	16,435
Finance lease liabilities	-	175	175	175
Non-current				
Term loans	-	135,221	135,221	135,221
Finance lease liabilities	-	222	222	222
Contingent liabilities ⁽²⁾	-	18,156	18,156	18,156
Total indebtedness	-	179,703	179,703	175,703
Capitalisation				
Equity	(318)	369,675	446,984	441,784
Total capitalisation	(318)	369,675	446,984	441,784
Total capitalisation and indebtedness	(318)	548,748	626,687	617,487
Gearing ratio⁽³⁾ (times)	-	0.5	0.4	0.4

Notes:

-

* Less than 0.1

(1) All of our indebtedness, except for lease liabilities are secured

(2) Contingent liabilities consist of bank guarantees for deposits with the housing and local authorities as well as utilities provider

(3) Calculated based on total indebtedness divided by total capitalisation

13. ACCOUNTANTS' REPORT



RSM Malaysia (AF:0768)

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The Board of Directors
Teladan Setia Group Berhad
8 & 10, Ground Floor
Jalan Mutiara Melaka 2
Taman Mutiara Melaka
Batu Berendam
75350 Melaka

Date: 20 January 2021

Dear Sirs,

Reporting Accountants' Opinion on the combined financial statements contained in the Accountants' Report of Teladan Setia Group Berhad

We have audited the accompanying combined financial statements of Teladan Setia Group Berhad and its subsidiaries (collectively "the Group"), which comprise the combined statements of financial position of the Group as at 31 December 2017, 31 December 2018, 31 December 2019 and 30 September 2020, and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the financial years ended 31 December 2017, 31 December 2018, 31 December 2019 and for the 9 months financial period ended 30 September 2020, and a summary of significant accounting policies as set out on pages 4 to 69.

In our opinion, the combined financial statements give a true and fair view of the financial position of the Group as at 31 December 2017, 31 December 2018, 31 December 2019 and 30 September 2020, and of its financial performance and cash flows for the financial years/period ended 31 December 2017, 31 December 2018, 31 December 2019 and 30 September 2020 in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Reporting Accountants' responsibilities for the audit of the combined financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Directors' responsibilities for the Combined Financial Statements

The directors of the Company are responsible for the preparation of the combined financial statements of the Group that give a true and fair view in accordance with MFRS and IFRS. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of combined financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements of the Group, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an accountants' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

13. ACCOUNTANTS' REPORT (Cont'd)



*Reporting Accountants' Responsibilities for the Audit of Combined Financial Statements
(continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountants' report to the related disclosures in the combined financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our reporting accountants' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the combined financial statements of the entities or business activities within the Group to express an opinion on the combined financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

The comparative information in respect of the combined statements of profit or loss and other comprehensive income, combined statement of changes in equity, combined statements of cash flows and relevant notes to the combined financial statements for the financial period ended 30 September 2019 has not been audited.

In accordance with paragraph 10.05 of Chapter 10, Part II Division 1: Equity of the Prospectus Guideline as issued by the Securities Commission Malaysia, the significant subsequent event that has come to our attention since 30 September 2020, that would require a material disclosure has been disclosed in Note 33 to the notes to the combined financial statements.

This report has been prepared solely to comply with the Prospectus Guideline – Equity issued by the Securities Commission Malaysia and for inclusion in the prospectus of Teladan Setia Group Berhad in connection with the listing of and quotation for the entire enlarged issued share capital of Teladan Setia Group Berhad on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this opinion.

A handwritten signature in black ink, appearing to read 'RSM Malaysia', is written over a light grey rectangular background.

RSM Malaysia
AF : 0768
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Se Kuo Shen', is written over a light grey rectangular background.

Se Kuo Shen
02949/03/2022 J
Chartered Accountant

13. ACCOUNTANTS' REPORT (Cont'd)

TELADAN SETIA GROUP BERHAD
Registration No. 201901004975 (1314302-V)
(Incorporated in Malaysia)

COMBINED STATEMENTS OF FINANCIAL POSITION

	Note	As at			30.9.2020 Audited RM
		31.12.2017 Audited RM	31.12.2018 Audited RM	31.12.2019 Audited RM	
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	3,900,298	5,050,574	5,347,999	4,548,123
Right-of-use assets	6	-	488,677	407,752	283,158
Inventories	7	81,977,153	81,977,153	171,747,966	171,747,966
Deferred tax assets	8	431,000	-	-	-
		<u>86,308,451</u>	<u>87,516,404</u>	<u>177,503,717</u>	<u>176,579,247</u>
CURRENT ASSETS					
Inventories	7	229,542,791	205,877,145	182,830,644	193,272,711
Trade and other receivables	9	51,827,229	71,494,593	27,742,364	34,309,999
Contract assets	10	35,163,037	17,225,782	61,051,573	49,161,310
Current tax assets		2,639,995	1,402,370	1,467,446	830,406
Cash and cash equivalents	11	69,700,689	85,234,078	92,296,801	75,565,793
		<u>388,873,741</u>	<u>381,233,968</u>	<u>365,388,828</u>	<u>353,140,219</u>
TOTAL ASSETS		<u>475,182,192</u>	<u>468,750,372</u>	<u>542,892,545</u>	<u>529,719,466</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	3,750,000	3,750,000	3,750,002	3,750,002
Retained profits		278,754,905	297,254,543	340,656,255	357,958,323
Equity attributable to owners of the Company		282,504,905	301,004,543	344,406,257	361,708,325
Non-controlling interests		15,000	14,645	-	-
TOTAL EQUITY		<u>282,519,905</u>	<u>301,019,188</u>	<u>344,406,257</u>	<u>361,708,325</u>
NON-CURRENT LIABILITIES					
Bank borrowings	13	86,058,067	67,964,841	105,912,564	104,686,300
Lease liabilities	6	-	326,413	269,997	195,085
Finance lease liabilities	14	146,835	200,380	369,462	260,046
Deferred tax liabilities	8	19,000	46,000	46,000	46,000
		<u>86,223,902</u>	<u>68,537,634</u>	<u>106,598,023</u>	<u>105,187,431</u>
CURRENT LIABILITIES					
Trade and other payables	15	72,361,535	76,139,391	68,858,331	38,039,919
Bank borrowings	13	14,810,361	16,309,148	22,461,912	21,618,078
Contract liabilities	10	10,267,338	-	-	-
Lease liabilities	6	-	207,000	178,943	119,649
Finance lease liabilities	14	333,301	180,200	216,230	180,479
Current tax liabilities		8,665,850	6,357,811	172,849	2,865,585
		<u>106,438,385</u>	<u>99,193,550</u>	<u>91,888,265</u>	<u>62,823,710</u>
TOTAL LIABILITIES		<u>192,662,287</u>	<u>167,731,184</u>	<u>198,486,288</u>	<u>168,011,141</u>
TOTAL EQUITY AND LIABILITIES		<u>475,182,192</u>	<u>468,750,372</u>	<u>542,892,545</u>	<u>529,719,466</u>

13. ACCOUNTANTS' REPORT (Cont'd)

TELADAN SETIA GROUP BERHAD
Registration No. 201901004975 (1314302-V)
(Incorporated in Malaysia)

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Financial years ended			9 months financial period ended	
		31.12.2017 Audited RM	31.12.2018 Audited RM	31.12.2019 Audited RM	30.9.2020 Audited RM	30.9.2019 Unaudited RM
Revenue	16	359,510,849	259,141,151	232,988,035	100,028,442	176,456,948
Cost of sales	17	<u>(240,240,288)</u>	<u>(167,452,241)</u>	<u>(152,451,362)</u>	<u>(63,564,344)</u>	<u>(114,323,008)</u>
Gross profit		119,270,561	91,688,910	80,536,673	36,464,098	62,133,940
Other operating income	18	1,722,657	2,613,144	2,469,791	2,318,427	1,659,286
Other operating expenses		(19,537,960)	(10,484,880)	(9,280,449)	(6,498,736)	(8,048,660)
Administrative expenses		(18,961,681)	(16,911,390)	(17,921,255)	(8,038,627)	(9,769,554)
Finance costs	19	<u>(1,222,657)</u>	<u>(1,014,067)</u>	<u>(467,909)</u>	<u>(466,079)</u>	<u>(328,586)</u>
Profit before taxation	20	81,270,920	65,891,717	55,336,851	23,779,083	45,646,426
Taxation	21	<u>(18,342,144)</u>	<u>(17,066,234)</u>	<u>(11,935,139)</u>	<u>(6,477,015)</u>	<u>(11,935,238)</u>
Profit from continuing operations		62,928,776	48,825,483	43,401,712	17,302,068	33,711,188
Loss from discontinued operation, net of tax	24	<u>(25,621)</u>	<u>(102,111)</u>	-	-	-
Profit/Total comprehensive income for the financial year/period		<u>62,903,155</u>	<u>48,723,372</u>	<u>43,401,712</u>	<u>17,302,068</u>	<u>33,711,188</u>
Profit/Total comprehensive income/(loss) for the financial year/period attributable to:						
Owners of the Company		62,978,895	48,723,727	43,401,712	17,302,068	33,711,188
Non-controlling interests		<u>(75,740)</u>	<u>(355)</u>	-	-	-
		<u>62,903,155</u>	<u>48,723,372</u>	<u>43,401,712</u>	<u>17,302,068</u>	<u>33,711,188</u>

13. ACCOUNTANTS' REPORT (Cont'd)

TELADAN SETIA GROUP BERHAD
Registration No. 201901004975 (1314302-V)
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital RM	Retained profits RM	Total attributable to owners of the Company RM	Non-controlling Interest RM	Total equity RM
Audited						
Balance as at 1 January 2017		3,750,000	220,526,010	224,276,010	571,746	224,847,756
Ordinary shares issued to non-controlling interest of a subsidiary		-	-	-	(481,006)	(481,006)
Dividends	23	-	(4,750,000)	(4,750,000)	-	(4,750,000)
Total comprehensive income/(loss) for the financial year		-	62,978,895	62,978,895	(75,740)	62,903,155
Balance as at 31 December 2017		3,750,000	278,754,905	282,504,905	15,000	282,519,905
Effect of MFRS 16 Leases adoption		-	(24,089)	(24,089)	-	(24,089)
Balance as at 1 January 2018		3,750,000	278,730,816	282,480,816	15,000	282,495,816
Dividends	23	-	(30,200,000)	(30,200,000)	-	(30,200,000)
Total comprehensive income/(loss) for the financial year		-	48,723,727	48,723,727	(355)	48,723,372
Balance as at 31 December 2018/ 1 January 2019		3,750,000	297,254,543	301,004,543	14,645	301,019,188
Issuance of share capital		2	-	2	-	2
Effect of strike off of subsidiary		-	-	-	(14,645)	(14,645)
Total comprehensive income for the financial year		-	43,401,712	43,401,712	-	43,401,712
Balance as at 31 December 2019/1 January 2020		3,750,002	340,656,255	344,406,257	-	344,406,257

13. ACCOUNTANTS' REPORT (Cont'd)

TELADAN SETIA GROUP BERHAD
 Registration No. 201901004975 (1314302-V)
 (Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital RM	Retained profits RM	Total attributable to owners of the Company RM	Non-controlling Interest RM	Total equity RM
<u>Audited</u>						
Balance as at 31 December 2019/1 January 2020		3,750,002	340,656,255	344,406,257	-	344,406,257
Total comprehensive income for the financial period		-	17,302,068	17,302,068	-	17,302,068
Balance as at 30 September 2020		3,750,002	357,958,323	361,708,325	-	361,708,325
<u>Unaudited</u>						
Balance as at 31 December 2018/ 1 January 2019		3,750,000	297,254,543	301,004,543	14,645	301,019,188
Issuance of share capital		2	-	2	-	2
Effect of strike off of subsidiary		-	-	-	(14,645)	(14,645)
Total comprehensive income for the financial year		-	33,711,188	33,711,188	-	33,711,188
Balance as at 30 September 2019		3,750,002	330,965,731	334,715,733	-	334,715,733

13. ACCOUNTANTS' REPORT (Cont'd)

TELADAN SETIA GROUP BERHAD
Registration No. 201901004975 (1314302-V)
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS

	Financial years ended			9 months financial period ended	
	31.12.2017 Audited RM	31.12.2018 Audited RM	31.12.2019 Audited RM	30.9.2020 Audited RM	30.9.2019 Unaudited RM
CASH FLOWS FROM OPERATING					
Profit before taxation					
- continuing operations	81,270,920	65,891,717	55,336,851	23,779,083	45,646,426
- discontinued operations	(25,621)	(102,111)	-	-	-
	<u>81,245,299</u>	<u>65,789,606</u>	<u>55,336,851</u>	<u>23,779,083</u>	<u>45,646,426</u>
Adjustments for:					
Bad debt written off	-	-	16,400	288	-
Depreciation of:					
- Property, plant and equipment	1,101,730	1,386,797	1,155,723	768,550	829,251
- Right-of-use assets	-	147,663	165,544	124,594	124,013
Sundry deposits written off	-	94,680	-	-	-
Interest expenses	1,222,657	963,082	418,398	440,085	293,949
Interest expenses on lease liabilities	-	50,985	49,511	25,994	34,637
Interest income	(1,186,948)	(1,801,930)	(1,698,880)	(1,428,091)	(1,113,078)
Loss/(Gain) on disposal of property, plant and	62,309	(107,355)	(459,242)	(277,214)	(244,243)
Gain on disposal of a subsidiary	-	(127,732)	-	-	-
Property, plant and written off	<u>1,198,946</u>	<u>5,466</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating profit before working capital changes	83,643,993	66,401,262	54,984,305	23,433,289	45,570,955
Decrease/(Increase) in inventories	1,703,079	27,798,003	29,980,995	(5,480,044)	26,511,188
(Increase)/Decrease in trade other receivables	(9,788,129)	(19,796,013)	32,217,710	(6,567,923)	17,239,153
(Increase)/Decrease in contract assets	(21,621,836)	17,937,255	(43,825,791)	11,890,263	(8,689,658)
Increase/(Decrease) contract liabilities	10,267,338	(10,267,338)	-	-	426,110
Increase/(Decrease) in trade other payables	16,599,529	(21,202,073)	5,139,591	(17,118,412)	(4,025,532)
	<u>(2,840,019)</u>	<u>(5,530,166)</u>	<u>23,512,505</u>	<u>(17,276,116)</u>	<u>31,461,261</u>
Cash generated from operations	80,803,974	60,871,096	78,496,810	6,157,173	77,032,216
Interest received	1,186,948	1,801,930	1,698,880	1,428,091	1,113,078
Tax paid	(18,672,445)	(18,267,067)	(18,692,758)	(6,022,359)	(15,692,467)
Tax refunded	<u>230,876</u>	<u>1,415</u>	<u>572,285</u>	<u>2,875,120</u>	<u>80,017</u>
Net cash generated from operating activities	63,549,353	44,407,374	62,075,217	4,438,025	62,532,844

13. ACCOUNTANTS' REPORT (Cont'd)

TELADAN SETIA GROUP BERHAD
Registration No. 201901004975 (1314302-V)
(Incorporated in Malaysia)

COMBINED STATEMENT OF CASH FLOWS (CONTINUED)

	Financial years ended			9 months financial period ended	
	31.12.2017 Audited RM	31.12.2018 Audited RM	31.12.2019 Audited RM	30.9.2020 Audited RM	30.9.2019 Unaudited RM
CASH FLOWS FROM INVESTING					
Proceeds from disposal of property, plant and equipment	399,151	122,386	497,800	344,999	282,800
Purchase of property, Equipment	(1,448,959)	(1,620,858)	(1,091,706)	(36,459)	(641,776)
Net cash outflow on a subsidiary	-	(356,953)	-	-	-
(Placement)/withdrawal of fixed deposits	(843,443)	(10,313,669)	(182,093)	(588,573)	128,665
Purchase of land held for property development	(26,646,827)	-	(8,252,694)	-	(8,252,694)
Net cash used in investing activities	<u>(28,540,078)</u>	<u>(12,169,094)</u>	<u>(9,028,693)</u>	<u>(280,033)</u>	<u>(8,483,005)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Acquisition of non-controlling interests	(500,000)	-	-	-	-
Interest paid	(4,986,558)	(5,846,564)	(7,352,892)	(5,402,108)	(5,461,618)
Interest paid on lease liabilities	-	(50,985)	(49,511)	(25,994)	(34,637)
Issuance of share capital	-	-	2	-	2
Proceeds from					
- Issuance of shares by a subsidiary to non-controlling interests	15,000	-	-	-	-
- Borrowings	26,963,253	33,594,322	18,159,732	23,496,994	14,547,512
Repayments of					
- Borrowings	(33,677,358)	(49,408,191)	(44,944,501)	(26,249,584)	(40,382,012)
- Finance lease liabilities	(412,528)	(399,556)	(194,888)	(145,167)	(145,196)
- Lease liabilities	-	(127,016)	(169,092)	(134,206)	(130,564)
Dividend paid	(4,750,000)	(4,000,000)	(12,500,000)	(13,700,000)	(12,500,000)
Net cash used in financing activities	<u>(17,348,191)</u>	<u>(26,237,990)</u>	<u>(47,051,150)</u>	<u>(22,160,065)</u>	<u>(44,106,513)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	17,661,084	6,000,290	5,995,374	(18,002,073)	9,493,326
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	<u>44,305,691</u>	<u>61,966,775</u>	<u>67,967,065</u>	<u>73,962,439</u>	<u>67,967,065</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD (NOTE 11)	<u>61,966,775</u>	<u>67,967,065</u>	<u>73,962,439</u>	<u>55,960,366</u>	<u>77,910,391</u>

13. ACCOUNTANTS' REPORT (Cont'd)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Introduction

This report has been prepared solely to comply with the Prospectus Guideline – Equity issued by the Securities Commission Malaysia and for inclusion in the prospectus of Teladan Setia Group Berhad (“TSG”) in connection with the listing of and quotation for the entire enlarged issued share capital of Teladan on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) (hereinafter defined as “the Listing”) and should not be relied upon for any other purposes.

1.2 Background

Teladan Setia Group Berhad was incorporated on 14 February 2019 under the Companies Act, 2016 as a public limited company and domiciled in Malaysia. The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at No. 8 & 10, Ground Floor, Jalan Mutiara Melaka 2, Taman Mutiara Melaka, 75350 Batu Berendam, Melaka.

Teladan Setia Group Berhad, Teladan Setia Sdn Bhd, Asal Harta Sdn Bhd, Midas Dimensi Sdn Bhd, Riverwell Resources Sdn Bhd, Oriview Realty Sdn Bhd, Midwest Pavilion Sdn Bhd and Widenote Sdn Bhd are collectively known as ‘the Group’ in the combined financial statements contained in this report.

The combined financial statements of the Group for the financial year ended 31 December 2017, 31 December 2018, 31 December 2019 and for the 9 months financial period ended 30 September 2020 were prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. None of the above mentioned audited combined financial statements used in the preparation of this Report for the financial years under review were subject to any qualification.

13. ACCOUNTANTS' REPORT (Cont'd)**1. GENERAL INFORMATION (CONTINUED)****1.3 Principal activities**

TSG's principal activity is investment holding. Details of the subsidiaries as at the date of this report are as follows:

Name of company	Effective ownership	Principal activities	Date of incorporation	Country of incorporation
<u>Subsidiaries</u>				
Teladan Setia Sdn Bhd ("Teladan Setia")	100%	Property development	13 April 1993	Malaysia
Asal Harta Sdn Bhd ("Asal Harta")	100%	Property development	16 November 1993	Malaysia
Midas Dimensi Sdn Bhd ("Midas")	100%	Property development	11 February 2011	Malaysia
Riverwell Resources Sdn Bhd ("Riverwell")	100%	Property development	21 April 2000	Malaysia
Oriview Realty Sdn Bhd ("Oriview")	100%	Property development	5 May 1997	Malaysia
Midwest Pavilion Sdn Bhd ¹ ("Midwest")	94%	Inactive	20 March 2017	Malaysia
Widenote Sdn Bhd ² ("Widenote")	-	Lodging services	3 March 2017	Malaysia

There was no significant change in the nature of the principal activities of TSG and its subsidiaries during the financial years ended 31 December 2017, 31 December 2018, 31 December 2019 and for the 9 months financial period ended 30 September 2020.

- ¹ On 1 July 2019, Midwest, being the subsidiary of the Company, has been strike off from the register of Companies Commission of Malaysia upon the application by the Company.
- ² On 31 December 2018, the Group entered into an agreement for the disposal of its subsidiary, Widenote. Widenote is involved in the provision of lodging services. The decision is consistent with the Group's strategy to focus on its main core businesses in property development. As a result, the financial results of Widenote is presented as discontinued operation for the financial year ended 2018.

13. ACCOUNTANTS' REPORT (Cont'd)

1. GENERAL INFORMATION (CONTINUED)

1.4 The Acquisition

Acquisition under Teladan

Teladan Setia Group Berhad shall acquire the entire issued capital of Teladan Setia Sdn Bhd comprising 3,750,000 ordinary shares ("Acquisition").

The aggregate purchase consideration for the Acquisition shall be RM322,119,000, satisfied by the issuance of 644,238,000 new shares at an issuance of RM0.50 per share.

Following the completion of the Acquisition, the Group's adopted the current structures as follows:



* Non-controlling interests in Midwest Pavilion Sdn Bhd (6%)

- Datuk New Wee Siang (5%)

- Mohd Kamsani Bin Abd Rahim (1%)

Midwest Pavilion Sdn Bhd had been strike-off on 1st July 2019

Widenote Sdn Bhd had been disposed off on 31 December 2018

The Group is regarded as a continuing entity resulting from the Acquisition since the management of all the entities which took major part in the Acquisition were controlled substantially by the same major shareholders before and immediately after the Acquisition. Consequently, immediately after the Acquisition, there was a continuation of the control over the entities' financial and operating policy decisions and risk and benefits to the ultimate shareholders that existed prior to the Acquisition. The Acquisition has been accounted for as an acquisition under common control in a manner similar to pooling of interest. Accordingly, the financial information for the financial years ended 31 December 2017, 2018, 2019 and for the 9 months period ended 30 September 2020 have been prepared on the basis of merger accounting and comprise the financial statements of the subsidiaries which were under common control of the ultimate shareholders that existed prior to the Acquisition during the relevant periods or since their respective dates of incorporation. No financial information of Teladan Setia Group Berhad was included for the financial years ended 31 December 2017, 2018 as Teladan Setia Group Berhad was only incorporated on 14 February 2019.

13. ACCOUNTANTS' REPORT (Cont'd)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**2.1 Statement of compliance**

The combined financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") based on the Guidance Note on "combined financial statements" issued by the Malaysian Institute of Accountants in relation to the Listing.

The combined financial statements consist of the financial statements of combining entities as disclosed in Notes 1.3 and 1.4 to this report, which were under common control throughout the reporting years/period by virtue of common controlling shareholders.

The combined financial statements have been prepared using financial information obtained from the records of the combining entities during the reporting years/period.

The financial information as presented in the combined financial statements do not correspond to the consolidated financial statements of the Company, as the combined financial statements reflect business combinations under common control for the purpose of the Listing. Consequently, the financial information from the combined financial statements do not purport to predict the financial positions, results of operations and cash flows of the combining entities during the reporting years/period.

2.2 Significant accounting policies**2.2.1 Basis of accounting**

The combined financial statements have been prepared under the historical cost convention, unless otherwise stated in the combined financial statements.

The preparation of the combined financial statements requires the directors to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. In addition, the directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 4. Although these estimates and assumptions are based on the directors' best knowledge of events and actions, actual results could differ from those estimates.

13. ACCOUNTANTS' REPORT (Cont'd)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Significant accounting policies (continued)

2.2.2 Basis of combination

The combined financial statements consist of the financial statements of the combining entities which are under common control as disclosed in Note 1.4 accordingly. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- (a) Power over the investee;
- (b) Exposure, or rights, to variable returns from its involvement with the investee; and
- (c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) Rights arising from other contractual agreements; and
- (c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. The combined financial statements reflect external transactions only.

(i) Common control entities

Business combination involving entities under common control are accounted for by applying the merger accounting principles. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the combined financial statements.

In a business combination involving entities under common control, any differences between the cost of the merger and the share capital of the "acquired" entity is reflected within equity as merger reserve.

The combined statements of profit or loss and other comprehensive income reflects the results of the combining entities for the full year and the comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

(ii) Non-common control entities

In a business combination accounted for by applying the acquisition method of accounting, the identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

- (a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 Income Taxes and MFRS 119 Employee Benefits respectively;
- (b) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 Share-based Payment at the acquisition date; and
- (c) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

13. ACCOUNTANTS' REPORT (Cont'd)**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.2 Significant accounting policies (continued)****2.2.2 Basis of combination (continued)****(ii) Non-common control entities (continued)**

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

- (a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.
- (b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 or MFRS 9 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139 or MFRS 9. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the Group net assets in the event of liquidation are initially measured at fair value. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the consolidated statement of financial position.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Group, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to the owners, and is presented separately in the combined statement of profit or loss and other comprehensive income and within equity in the combined statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

13. ACCOUNTANTS' REPORT (Cont'd)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Significant accounting policies (continued)

2.2.2 Basis of combination (continued)

(ii) Non-common control entities (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the financial period/year are included in the combined statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary. Changes in the Group owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to the owners.

Changes in the Group owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to the owners. If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 Financial Instruments: Recognition and Measurement or MFRS 9 Financial Instruments or, where applicable, the cost on initial recognition of an investment in associate.

13. ACCOUNTANTS' REPORT (Cont'd)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Significant accounting policies (continued)

2.2.3 Property, plant and equipment

On initial recognition, items of property, plant and equipment are recognised at cost, which includes the purchase price as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the cost of dismantling and removing the items and restoring the site on which they are located.

After initial recognition, items of property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Except for freehold land which is not depreciated, depreciation is calculated so as to write off the cost of the assets, less their estimated residual value, over their useful economic lives as follows:

Leasehold buildings	50 years
Site equipment	10 years
Office equipment	10 years
Renovation	10 years
Furniture and fittings	10 years
Motor vehicles	5 years

Useful lives, residual values and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Significant accounting policies (continued)

2.2.4 Leases

(i) Definition of lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

1. As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group and entities use their incremental borrowing rate as the discount rate.

13. ACCOUNTANTS' REPORT (Cont'd)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Significant accounting policies (continued)

2.2.4 Leases (continued)

(ii) Recognition and initial measurement (continued)

1. As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentive receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

13. ACCOUNTANTS' REPORT (Cont'd)**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.2 Significant accounting policies (continued)****2.2.4 Leases (continued)****(iii) Subsequent measurement****1. As a lessee**

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. As a lessor

The Group recognises lease payments received under operating leases as income on straight-line basis over the lease term as part of "revenue".

2.2.5 Inventories**(i) Land held for property development**

Land held for property development is stated at cost less impairment losses, if any. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs comprise all cost that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. They comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.

13. ACCOUNTANTS' REPORT (Cont'd)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Significant accounting policies (continued)

2.2.5 Inventories (continued)

(ii) Property development costs (continued)

Property development costs not recognised as an expense are recognised as an asset measured at the lower of cost and net realisable value.

Property development cost of unsold unit is transferred to completed properties once the development is completed.

(iii) Completed properties held for sale

The cost of completed development units is stated at the lower of cost and net realisable value. Cost includes the relevant cost of land, development expenditure and other costs of bringing the inventories to their present location and condition.

Net realisable value is the estimated sales price in the ordinary course of business after allowing for all further costs of completion and disposal.

2.2.6 Contract assets and contract liabilities

The excess of cumulative revenue recognised in profit or loss over the billings to customers is recognised as contract assets.

The excess of cumulative billings to customers over revenue recognised in profit or loss is recognised as contract liabilities.

2.2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and fixed deposits placed with licensed banks and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows only, cash and cash equivalents are presented net of bank overdrafts, fixed deposits with maturities of more than three months and pledged deposits, if any.

2.2.8 Financial instruments

(i) Initial recognition and measurement

The Group recognise a financial asset or a financial liability (including derivative instruments) in the statement of financial position when, and only when, an entity in the Group become a party to the contractual provisions of the instruments.

If a contract is a host financial liability or a non-financial host contract that contains an embedded derivative, the Group assess whether the embedded derivative shall be separated from the host contract on the basis of the economic characteristics and risks of the embedded derivative and the host contract at the date when the Group become a party to the contract. If the embedded derivative is not closely related to the host contract, it is separated from the host contract and accounted for as a stand-alone derivative. The Group does not make a subsequent reassessment of the contract unless there is a change in the terms of the contract that significantly modifies the expected cash flows or when there is a reclassification of a financial liability out of the fair value through profit or loss category. Embedded derivatives in host financial assets are not separated.

13. ACCOUNTANTS' REPORT (Cont'd)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Significant accounting policies (continued)

2.2.8 Financial instruments (continued)

(ii) Initial recognition and measurement (continued)

On initial recognition, all financial assets (including intra-group loans and advances) and financial liabilities (including intra-group payables and government loans at below market interest rates) are measured at fair value plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

(iii) Derecognition of financial instruments

For derecognition purposes, the Group first determine whether a financial asset or a financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial assets, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Group transfer the contractual rights to receive cash flows of the financial asset, including circumstances when the Group act only as a collecting agent of the transferee, and retain no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Group consider a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate is different by 10% or more when compared with the carrying amount of the original liability.

(iv) Financial assets

For the purpose of subsequent measurement, the Group classify financial assets into three measurement categories, namely: (i) financial assets at amortised cost ("AC"); (ii) financial assets at fair value through other comprehensive income ("FVOCI") and (iii) financial assets at fair value through profit or loss ("FVPL"). The classification is based on the Group business model objective for managing the financial assets and the contractual cash flow characteristics of the financial instruments.

13. ACCOUNTANTS' REPORT (Cont'd)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Significant accounting policies (continued)

2.2.8 Financial instruments (continued)

(iii) Financial assets (continued)

After initial recognition, the Group measure financial assets, as follow:

(i) Financial assets at AC

A financial asset is measured at amortised cost if: (a) it is held within the Group business objective to hold the asset only to collect contractual cash flows, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.

(ii) Financial assets at FVOCI

A financial asset is measured at FVOCI if: (a) it is held within the Group business objective to hold the asset both to collect contractual cash flows and selling the financial asset, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.

(iii) Financial asset at FVPL

A financial asset is measured at FVPL if it is an equity investment, held for trading (including derivative assets) or if it does not meet any of the condition specified for the AC or FVOCI model.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 2.2.8(vii) to the financial statements.

(iv) Financial liabilities

After initial recognition, the Group measure all financial liabilities at amortised cost using the effective interest method, except for:

(i) Financial liabilities at fair value through profit or loss (including derivatives that are liabilities) are measured at fair value.

(ii) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. Paragraph 3.2.15 and 3.2.17 of MFRS 9 apply to the measurement of such financial liabilities.

13. ACCOUNTANTS' REPORT (Cont'd)**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.2 Significant accounting policies (continued)****2.2.8 Financial instruments (continued)****(v) Fair value measurement**

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique as described in Note 2.2.16 to the financial statements.

(vi) Recognition of gains and losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets mandatorily measured at FVOCI, interest income (calculated using the effective interest rate method), impairment losses, and exchange gains or loss are recognised in profit or loss. All other gains or losses are recognised in other comprehensive income and retained in a fair value reserve. On derecognition of the financial assets, the cumulative gain or loss recognised in OCI is reclassified to profit or loss as a reclassification adjustment.

For financial assets and financial liabilities carried at amortised, interest income and interest expense are recognised in profit or loss using the effective interest method. A gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

(vii) Impairment of financial assets

The Group applies the expected credit loss ("ECL") model of MFRS 9 to recognise impairment losses of financial assets measured at amortised cost or at fair value through other comprehensive income. Except for trade receivables, a 12-month ECL is recognised in profit or loss on the date of origination or purchase of the financial assets. At the end of each reporting period, the Group assess whether there has been a significant increase in credit risk of a financial asset since its initial recognition or at the end of the prior period. Other than for financial assets which are considered to be of low risk grade, a lifetime ECL is recognised if there has been a significant increase in credit risk since initial recognition. For trade receivables, the Group has availed the exception to the 12-month ECL requirement to recognise only lifetime expected credit losses.

The assessment of whether credit risk has increased significantly is based on quantitative and qualitative information that include financial evaluation of the creditworthiness of the debtors or issuers of the instruments, ageing of receivables, defaults and past due amounts, past experiences with the debtors, current conditions and reasonable forecast of future economic conditions. For operational simplifications: (a) a 12-month expected credit loss is maintained for financial assets which investment grades that are considered as low credit risk, irrespective of whether credit risk has increased significantly or not; and (b) credit risk is considered to have increase significantly if payments are more than 30 days past due if no other borrower-specific information is available without undue cost or effort.

The ECL is measured using an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, discounted for the time value of money and applying reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecast of future economic conditions.

13. ACCOUNTANTS' REPORT (Cont'd)**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.2 Significant accounting policies (continued)****2.2.8 Financial instruments (continued)****(vii) Impairment of financial assets (continued)**

The ECL for a financial asset (when assessed individually) or a group of financial assets (when assessed collectively) is measured at the present value of the probability-weighted expected cash shortfalls over life of the financial asset or group of financial assets. When a financial asset is determined as credit-impaired (based on objective evidence of impairment), the lifetime ECL is determined individually.

For trade receivable, the lifetime ECL is determined at the end of each reporting period using a provision matrix. For each significant receivable, individual lifetime ECL is assessed separately. For significant receivables which are not impaired and for all other receivables, they are grouped into risk classes by type of customers and businesses, and the ageing of the receivables. Collective lifetime ECLs are determined using past loss rates, which are updated for effects of current conditions and reasonable forecasts for future economic conditions. In the event that the economic or industry outlook is expected to worsen, the past loss rates are increased to reflect the worsening economic conditions.

2.2.9 Impairment of non-financial assets**(i) Impairment of non-financial assets**

The carrying amounts of such assets, other than contract assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through profit or loss to its estimated recoverable amount. Recoverable amount is the higher of value in use and the fair value less costs to sell of the individual asset or the cash-generating unit. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs.

Value in use is the present value of the estimated future cash flows of that unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the unit which impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the unit.

Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

2.2.10 Provisions

Where, at reporting date, the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will settle the obligation, a provision is made in the statement of financial position. Provisions are made using best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period they arise.

13. ACCOUNTANTS' REPORT (Cont'd)**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.2 Significant accounting policies (continued)****2.2.11 Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transactions cost. Ordinary shares are classified as equity.

Retained profits include all current and prior years retained profits. Cost directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained profits.

All transactions with owners of the parent are recorded separately within equity.

2.2.12 Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group's expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group perform;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance do not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

13. ACCOUNTANTS' REPORT (Cont'd)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Significant accounting policies (continued)

2.2.12 Revenue recognition (continued)

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

Revenue from sales of completed properties is recognised at the point in time upon delivery of properties where the control of the properties has been passed to the buyers.

Interest income is recognised as it accrues, using the effective interest method.

Rental income is recognised on a straight-line basis over the term of an ongoing lease.

2.2.13 Borrowing costs

Interest on borrowings to finance the purchase and development of a self-constructed qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) is included in the cost of the asset until such time as the assets are substantially ready for use or sale. Such borrowing costs are capitalised net of any investment income earned on the temporary investment of funds that are surplus pending such expenditure.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.2.14 Employees benefits

(i) Short-term benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave and bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

13. ACCOUNTANTS' REPORT (Cont'd)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Significant accounting policies (continued)

2.2.14 Employees benefits (continued)

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees' Provident Fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in profit or loss in the period in which the employee render their services. Once the contributions have been paid, the Group has no further payment obligations.

2.2.15 Income taxes

Tax currently payable is calculated using the tax rates in force or substantively enacted at the reporting date. Taxable profit differs from accounting profit either because some income and expenses are never taxable or deductible, or because the time pattern that they are taxable or deductible differs between tax law and their accounting treatment.

Using the statement of financial position liability method, deferred tax is recognised in respect of all temporary differences between the carrying value of assets and liabilities in the statement of financial position and the corresponding tax base, with the exception of goodwill not deductible for tax purposes and temporary differences arising on initial recognition of assets and liabilities that do not affect taxable or accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised only to the extent that the Group consider that it is probable (i.e. more likely than not) that there will be sufficient taxable profits available for the asset to be utilised within the same tax jurisdiction.

Unused tax credits do not include unabsorbed reinvestment allowances and unabsorbed investment tax allowances because the Group treats these as part of initial recognition differences.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities, they relate to the same tax authority and the Group's intention is to settle the amounts on a net basis.

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except if it arises from transactions or events that are recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively. Where tax arises from the initial accounting for a business combination, it is included in the accounting for the business combination.

2.2.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Group uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Group (working closely with external qualified valuers) using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account.

13. ACCOUNTANTS' REPORT (Cont'd)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.2 Significant accounting policies (continued)****2.2.16 Fair value measurement (continued)**

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the Group at the end of the reporting period during which the change occurred.

2.2.17 Discontinued operations

These are either separate major lines of business that have been sold. When held for use, discontinued operations were a cash-generating unit or a group of cash generating units. They comprise operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. Their results are shown separately in profit or loss and comparative figures are restated to reclassify them from continuing to discontinued operations.

2.2.18 Goods and service tax

Goods and Services Tax ("GST") is a consumption tax based on value-added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate. Input GST that the Group paid on purchases of business inputs can be deducted from output GST.

Revenues, expenses and assets are recognised net of the amount of GST except:

- (i) Where the GST incurred in a purchase of assets or services is not recoverable from the authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and
- (ii) Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the combined statements of financial position.

The Malaysian Government has zero rated the GST effective from 1 June 2018. This means the GST rate on the supplies of goods or services or on the importation of goods has been revised from 6% to 0%.

The GST was replaced with the Sales and Services Tax effective from 1 September 2018. The rate for sales tax is fixed at 5% or 10%, while the rate for services tax is fixed at 6%.

13. ACCOUNTANTS' REPORT (Cont'd)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.2 Significant accounting policies (continued)****2.2.19 Sales and service tax**

Expenses and assets are recognised net of the amount of sales and service tax, except:

- (i) When the sales and service tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales and service tax is recognised as part of the cost of acquisition of the asset or as part of the expenses item, as applicable.
- (ii) When receivables and payables are stated with the amount of sales and service tax included.

The net amount of sales and service tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.2.20 Segmental results

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

2.2.21 Contingencies

Contingent liabilities of the Group are not recognised but disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent liabilities represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. They are not recognised because it is not probable that an outflow of resources will be required to settle the obligation and the amount of the obligation cannot be measured with sufficient reliability.

Inevitably, the determination that the possibility that an outflow of resources embodying economic benefits is remote and that the occurrence or non-occurrence of one or more uncertain future events is not wholly within the control of the Group requires significant judgement.

13. ACCOUNTANTS' REPORT (Cont'd)**3. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS****3.1 MFRSs, Amendments to MFRSs and Interpretations adopted**

For the preparation of the financial statements, the following accounting standards, amendments and interpretations of the MFRS framework issued by the MASB are mandatory for the first time for the financial year beginning on or after 1 January 2020

- MFRS 16 *Leases*
- IC Interpretation 23 *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 9 *Financial Instruments (2014) – Prepayment Features with Negative Compensation*
- Amendments to MFRS 128 *Investments in Associates and Joint Ventures – Long-term Interest in Associates and Joint Ventures*
- Amendments to MFRS 3 *Business Combinations – Previously Held Interest in a Joint Operation (Annual Improvements 2015-2017 Cycle)*
- Amendments to MFRS 11 *Joint Arrangements - Previously Held Interest in a Joint Operation (Annual Improvements 2015-2017 Cycle)*
- Amendments to MFRS 112 *Income Taxes – Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements 2015-2017 Cycle)*
- Amendments to MFRS 123 *Borrowing Costs – Borrowing Costs Eligible for Capitalisation (Annual Improvements 2015-2017 Cycle)*
- Amendments to MFRS 119 *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3 *Business Combination – Definition of a Business*
- Amendments to MFRS 101 *Presentation of Financial Statements* and MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, MFRS 139 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

3.2 New/ Revised MFRSs, Amendments to MFRSs and Interpretations early adopted**MFRS 16 *Leases***

The Group has early adopted MFRS 16 *Leases* and applied this Standard retrospectively during the financial year. In accordance with the transition requirements under the Appendix C, paragraph 5(b) of this Standard, comparatives are not restated.

As a result of the adoption of MFRS 16 *Leases*, the existing requirements for a lessee to distinguish between finance leases and operating leases under the MFRS 117 *Leases* are no longer required. This Standard introduces a single accounting model, requiring the lessee to recognise the right-of-use of the underlying lease asset and the future lease payments liabilities in the statements of financial position. For a lessor, MFRS 16 *Leases* continues to allow the lessor to classify leases as either operating leases or finance leases and to account for these two types of leases differently.

13. ACCOUNTANTS' REPORT (Cont'd)**3. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS****3.2 New/ Revised MFRSs, Amendments to MFRSs and Interpretations early adopted (continued)****MFRS 16 Leases (continued)**

The following tables present the impact of changes to the statements of financial position of the Group resulting from the early adoption of MFRS16 Leases as at 1 January 2018:

	Note	As at 31 December 2017 RM	Changes RM	As at 1 January 2018 RM
Group				
Non-current assets				
Right-of-use assets	(a)	-	377,455	377,455
Non-current liabilities				
Lease liabilities		-	233,544	233,544
Current liabilities				
Lease liabilities		-	168,000	168,000
Total lease liabilities	(b)	-	401,544	401,544
Equity				
Retained profits	(c)	278,754,905	(24,089)	278,730,816

(a) The right-of-use assets for the Group comprise of five units of commercial properties leased and recognised during the financial year. Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The right-of-use assets are measured at the amount equal to the lease liabilities, adjusted by any prepaid or accrued lease payments relating to the existing lease immediately before 1 January 2018.

(b) The lease liabilities are recognised and discounted using the Group is weighted average incremental borrowing rate of 7.7%. Subsequent to initial recognition, the Group measures the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

(c) At the date of initial application of the new leases standard, 1 January 2018, the Group recognised the cumulative effect of initial application as an adjustment to the opening balance of equity as of 1 January 2018.

Other than the above, the Group elected to apply exemption for a lease of equipment expiring within 12 months under the Appendix C, paragraph 10(c) of this Standard. The lease payments are recognised as an expense on a straight-line basis over the remaining lease term during the current financial year.

13. ACCOUNTANTS' REPORT (Cont'd)

3. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS (CONTINUED)

3.2 New/ Revised MFRSs, Amendments to MFRSs and Interpretations not adopted

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the MASB but have not been adopted by the Group:

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16 *Leases – Covid-19-Related Rent Concessions*

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9 *Financial Instruments (2014)*, MFRS 139 *Financial Instruments: Recognition and Measurement*, MFRS 7 *Financial Instruments: Disclosure*, MFRS 4 *Insurance Contracts* and MFRS 16 *Leases – Interest Rate Benchmark Reform Phase 2*

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 3 *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 116 *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to MFRS Standards 2018–2020

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2023

- Amendments to MFRS 101 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

MFRSs, Amendments to MFRSs and Interpretations effective date yet to be confirmed

- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The directors anticipate that the above-mentioned accounting standards, interpretations and amendments will be adopted by the Group when they become effective.

Amendments to MFRS 4 *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts* and MFRS 17 *Insurance Contracts* have not been taken into consideration because they are not applicable to the Group.

13. ACCOUNTANTS' REPORT (Cont'd)

3. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS (CONTINUED)

3.3 Financial Reporting updates

(a) IFRIC Tentative Agenda Decision (“TAD”) - Over time transfer of constructed good, which may have impacts on the Group’s financial statements on adoption

The IFRS Interpretations Committee (“IFRIC”) received a submission about the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development.

Based on the fact pattern described in the submission, the request asked whether the entity has a qualifying asset as defined in IAS 23 *Borrowing Costs* and, therefore, capitalises any directly attributable costs.

The IFRIC concluded in March 2019 that, in the fact pattern described in the request:

- (i) Any receivable and contract asset that the entity recognises is not a qualifying asset.
- (ii) Any inventory (work-in-progress) for unsold units under construction that the entity recognises is also not a qualifying asset because the unsold units are ready for its intended use or sale.

The MASB announced on 20 March 2019 that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group is in the process of obtaining new information and adapting its systems to implement this change in accounting policy. The implementation results would be reported during the financial year ending 31 December 2021.

13. ACCOUNTANTS' REPORT (Cont'd)**4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

In preparing its financial statements, the Group has made significant judgements, estimates and assumptions that impact on the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The Group periodically monitors such estimates and assumptions and makes sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

The judgements made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements, and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Transfer of control in property development and right-of-use assets

For the purposes of revenue recognition, management uses its judgement to determine whether control of properties under development is transferred to customers over time or at a point in time. The Group uses the criterion of control from the perspective of a customer, judged in relation to the customer's ability to obtain economic benefits of the asset under development. The Group considers that if the asset under development has been assigned to a customer and the asset has no alternative use to the Group and the Group has enforceable rights to payments, control of the asset is transferred over time to the customer. Revenue is recognised over time based on the stage of completion. If a customer does not obtain control when the asset is under development, such as in build and sell units, revenue is recognised at a point in time when the construction of the asset is completed and handed over to the customer.

(ii) Recognition of property development profits

The Group recognises property development revenue and expenses in the profit or loss by using the stage of completions method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work specialists. Property development revenue and expenses are as disclosed in Notes 16 and Note 17 respectively.

13. ACCOUNTANTS' REPORT (Cont'd)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(iii) Income tax and deferred tax estimation

Management's judgement is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognised. There are transactions and computations for which the ultimate tax determination may be different from the initial estimate.

The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the tax losses, capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level timing and level of future taxable profits together with future tax planning strategies. Income tax expense and deferred taxation are as disclosed in Notes 21 and 8 respectively.

(iv) Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is written down to their estimated realisable value when their cost may no longer be recoverable such as when inventories are damaged or become wholly or partly obsolete or their selling prices have declined. In any case, the realisable value represents the best estimate of the recoverable amount, is based on the most reliable evidence available at the reporting date and inherently involves estimates regarding the future expected realisable value. The benchmarks for determining the amount of write-downs to net realisable value include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and may materially affect the carrying amount of inventories at the end of the reporting period. Carrying amount of inventories are as disclosed in Note 7.

13. ACCOUNTANTS' REPORT (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land and building RM	Buildings RM	Site equipment RM	Office equipment RM	Renovation RM	Furniture and fittings RM	Motor vehicles RM	Total RM
Audited Cost								
As at 1.1.2017	1,170,603	355,475	13,998	326,041	3,099,180	806,259	4,407,994	10,179,550
Additions	-	-	7,420	90,090	525,560	112,828	713,061	1,448,959
Reclassifications	-	-	-	-	(8,000)	8,000	-	-
Transfer to inventories	-	-	-	-	-	(323,156)	-	(323,156)
Disposals	(400,000)	-	-	-	-	(91,700)	-	(491,700)
Written off	-	-	-	(7,954)	(2,650,910)	(89,106)	-	(2,747,970)
As at 31.12.2017/ 1.1.2018	770,603	355,475	21,418	408,177	965,830	423,125	5,121,055	8,065,683
Additions	-	194,188	-	99,440	726,397	95,789	805,044	1,920,858
Transfer from property development costs	-	750,524	-	-	-	-	-	750,524
Disposals	-	-	-	(2,059)	-	-	(529,988)	(532,047)
Disposals of subsidiary	-	-	-	(71,085)	-	(27,928)	-	(99,013)
Written off	-	-	-	-	-	(7,181)	-	(7,181)
As at 31.12.2018/ 1.1.2019	770,603	1,300,187	21,418	434,473	1,692,227	483,805	5,396,111	10,098,824
Additions	-	-	4,020	39,292	8,308	11,678	1,428,408	1,491,706
Disposals	-	-	-	(5,050)	-	-	(1,120,812)	(1,125,862)
As at 31.12.2019/ 1.1.2020	770,603	1,300,187	25,438	468,715	1,700,535	495,483	5,703,707	10,464,668
Additions	-	-	1,987	23,278	773	2,099	8,322	36,459
Disposals	-	-	-	-	-	-	(1,233,074)	(1,233,074)
As at 30.9.2020	770,603	1,300,187	27,425	491,993	1,701,308	497,582	4,478,955	9,268,053

13. ACCOUNTANTS' REPORT (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	Land and building RM	Buildings RM	Site equipment RM	Office equipment RM	Renovation RM	Furniture and fittings RM	Motor vehicles RM	Total RM
Audited								
Accumulated depreciation								
As at 1.1.2017	-	120,862	2,588	180,358	1,803,897	248,296	2,373,944	4,729,945
Charge for the financial year	-	7,110	2,142	27,066	132,306	31,293	901,813	1,101,730
Transfer to inventories	-	-	-	-	-	(87,026)	-	(87,026)
Disposals	-	-	-	-	-	(30,240)	-	(30,240)
Written off	-	-	-	(3,923)	(1,520,365)	(24,736)	-	(1,549,024)
As at 31.12.2017/ 1.1.2018	-	127,972	4,730	203,501	415,838	137,587	3,275,757	4,165,385
Charge for the financial year	-	26,003	2,142	34,290	264,807	45,687	1,013,868	1,386,797
Disposals	-	-	-	(618)	-	-	(500,218)	(500,836)
Disposals of subsidiary	-	-	-	(1,149)	-	(232)	-	(1,381)
Written off	-	-	-	-	-	(1,715)	-	(1,715)
As at 31.12.2018/ 1.1.2019	-	153,975	6,872	236,024	680,645	181,327	3,789,407	5,048,250
Charge for the financial year	-	26,004	2,276	35,608	249,415	45,627	796,793	1,155,723
Disposals	-	-	-	(589)	-	-	(1,086,715)	(1,087,304)
As at 31.12.2019/ 1.1.2020	-	179,979	9,148	271,043	930,060	226,954	3,499,485	5,116,669
Charge for the financial year	-	19,502	2,007	29,168	191,654	34,560	491,659	768,550
Disposals	-	-	-	-	-	-	(1,165,289)	(1,165,289)
As at 30.9.2020	-	199,481	11,155	300,211	1,121,714	261,514	2,825,855	4,719,930
Net carrying amount								
As at 31.12.2017	770,603	227,503	16,688	204,676	549,992	285,538	1,845,298	3,900,298
As at 31.12.2018	770,603	1,146,212	14,546	198,449	1,011,582	302,478	1,606,704	5,050,574
As at 31.12.2019	770,603	1,120,208	16,290	197,672	770,475	268,529	2,204,222	5,347,999
As at 30.9.2020	770,603	1,100,706	16,270	191,782	579,594	236,068	1,653,100	4,548,123

13. ACCOUNTANTS' REPORT (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (a) The following property, plant and equipment of the Group stated at net carrying amount are charged to licensed banks for banking facilities granted to the Group as disclosed in Note 13.

	As at			
	31.12.2017	31.12.2018	31.12.2019	30.9.2020
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Land and buildings	770,603	770,603	770,603	770,603
Leasehold buildings	227,503	1,146,212	1,120,208	1,100,706
	<u>998,106</u>	<u>1,916,815</u>	<u>1,890,811</u>	<u>1,871,309</u>

- (b) Included in the net carrying amount of property, plant and equipment of the Group are the following assets which are acquired under finance lease arrangements:

	As at			
	31.12.2017	31.12.2018	31.12.2019	30.9.2020
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Motor vehicles	<u>879,556</u>	<u>853,361</u>	<u>1,220,074</u>	<u>923,346</u>

- (c) Details of payments property, plant and equipment acquired during the financial year are as follows:

	As at				
	31.12. 2017	31.12.2018	31.12.2019	30.9.2020	30.9.2019
	Audited	Audited	Audited	Audited	Unaudited
	RM	RM	RM	RM	RM
Aggregate cost of property, plant and equipment acquired	1,448,959	1,920,858	1,491,706	36,459	(641,776)
Amount financed by finance lease arrangements	<u>-</u>	<u>(300,000)</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>
Costs disbursed for acquisition of property, plant and equipment	<u>1,448,959</u>	<u>1,620,858</u>	<u>1,091,706</u>	<u>36,459</u>	<u>(641,776)</u>

13. ACCOUNTANTS' REPORT (Cont'd)**6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES****(a) Right-of-use assets**

	31.12.2017	31.12.2018	As at 31.12.2019	30.9.2020
	Audited RM	Audited RM	Audited RM	Audited RM
Cost				
At beginning of year/period	-	-	746,625	831,244
Effects of MFRS 16 Leases adoption	-	487,740	-	-
	<u>-</u>	<u>487,740</u>	<u>746,625</u>	<u>831,244</u>
Addition during the year/period	-	258,885	84,619	-
	<u>-</u>	<u>258,885</u>	<u>84,619</u>	<u>-</u>
At end of year/period	<u>-</u>	<u>746,625</u>	<u>831,244</u>	<u>831,244</u>
Accumulated depreciation				
At beginning of year/period	-	-	(257,948)	(423,492)
Effects of MFRS 16 Leases adoption	-	(110,285)	-	-
	<u>-</u>	<u>(110,285)</u>	<u>(257,948)</u>	<u>(423,492)</u>
Depreciation charge for the year/period	-	(147,663)	(165,544)	(124,594)
	<u>-</u>	<u>(147,663)</u>	<u>(165,544)</u>	<u>(124,594)</u>
At end of year/period	<u>-</u>	<u>(257,948)</u>	<u>(423,492)</u>	<u>(548,086)</u>
Net carrying amount at end of year/period	<u>-</u>	<u>488,677</u>	<u>407,752</u>	<u>283,158</u>

13. ACCOUNTANTS' REPORT (Cont'd)**6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)****(b) Lease liabilities**

	31.12.2017	31.12.2018	As at 31.12.2019	30.9.2020
	Audited RM	Audited RM	Audited RM	Audited RM
Non-current				
Lease liabilities	-	326,413	269,997	195,085
Current				
Lease liabilities	-	207,000	178,943	119,649
Total lease liabilities	-	533,413	448,940	314,734

The movement of lease liabilities during the financial year/period is as follows:

	31.12.2017	31.12.2018	As at 31.12.2019	30.9.2020
	RM	RM	RM	RM
At beginning of year/period	-	-	533,413	448,940
Effects of MFRS 16 Leases adoption	-	401,544	-	-
	-	401,544	533,413	448,940
Addition during the year/period	-	258,885	84,619	-
	-	660,429	618,032	448,940
Interest charged	-	50,985	49,511	25,994
Payment of:				
- Principal	-	(127,016)	(169,092)	(134,206)
- Interest	-	(50,985)	(49,511)	(25,994)
At end of year/period	-	533,413	448,940	314,734

13. ACCOUNTANTS' REPORT (Cont'd)

7. INVENTORIES

	As at			
	31.12.2017 Audited RM	31.12.2018 Audited RM	31.12.2019 Audited RM	30.9.2020 Audited RM
Non-current				
Land held for property development	81,977,153	81,977,153	171,747,966	171,747,966
Current				
Completed development unit, at cost	57,404,705	70,696,745	51,138,199	43,594,717
Property development costs	171,900,084	135,101,030	131,613,075	149,598,624
Others	238,002	79,370	79,370	79,370
	<u>229,542,791</u>	<u>205,877,145</u>	<u>182,830,644</u>	<u>193,272,711</u>

Land held for property development are as follows:

	As at			
	31.12.2017 Audited RM	31.12.2018 Audited RM	31.12.2019 Audited RM	30.9.2020 Audited RM
At beginning of year/period	3,330,326	81,977,153	81,977,153	171,747,966
Additions during the financial year/period	78,646,827	-	89,770,813	-
At end of year/period	<u>81,977,153</u>	<u>81,977,153</u>	<u>171,747,966</u>	<u>171,747,966</u>

The movements of completed development units are as follows:

	As at			
	31.12.2017 Audited RM	31.12.2018 Audited RM	31.12.2019 Audited RM	30.9.2020 Audited RM
At beginning of year/period	43,967,795	57,404,705	70,696,745	51,138,199
Additions during the financial year/period	24,013,415	36,079,149	8,881,788	808,411
Transfer to property, plant and equipment	-	(750,524)	-	-
Sales of completed development units	(10,576,505)	(22,036,585)	(28,440,334)	(8,351,893)
At end of year/period	<u>57,404,705</u>	<u>70,696,745</u>	<u>51,138,199</u>	<u>43,594,717</u>

13. ACCOUNTANTS' REPORT (Cont'd)**7. INVENTORIES (CONTINUED)**

The movements of property development costs are as follows:

	As at			
	31.12.2017 Audited RM	31.12.2018 Audited RM	31.12.2019 Audited RM	30.9.2020 Audited RM
Freehold land, at cost	81,043,609	87,327,844	78,997,378	60,724,253
Leasehold land, at cost	19,888,285	14,891,023	8,327,344	8,327,344
Development expenditure	207,835,404	243,681,200	122,861,651	140,425,189
Balance at beginning of year/period	308,767,298	345,900,067	210,186,373	209,476,786
Cost incurred during the financial year/period				
Freehold land, at cost	6,338,243	2,818	-	-
Leasehold land, at cost	602,044	-	-	-
Development expenditure	235,358,951	138,065,352	128,976,251	78,300,726
	242,299,238	138,068,170	128,976,251	78,300,726
Transfer to completed development units				
Freehold land, at cost	-	(2,256,116)	(1,600,941)	(122,524)
Leasehold land, at cost	(677,185)	(492,440)	-	-
Development expenditure	(23,336,230)	(33,330,593)	(7,280,847)	(685,887)
	(24,013,415)	(36,079,149)	(8,881,788)	(808,411)
Reversal of cost of completed development projects				
Freehold land, at cost	(54,008)	(6,077,168)	(16,672,184)	(5,145,995)
Leasehold land, at cost	(4,922,121)	(6,071,239)	-	-
Development expenditure	(176,176,925)	(225,554,308)	(104,131,866)	(28,986,282)
	(181,153,054)	(237,702,715)	(120,804,050)	(34,132,277)
	345,900,067	210,186,373	209,476,786	252,836,824
Accumulated cost charged to profit or loss				
Balance as at 1 January	(125,489,254)	(173,999,983)	(75,085,343)	(77,863,711)
Cost charged during the financial year/period	(229,663,783)	(138,788,075)	(123,582,418)	(59,506,766)
Reversal of cost completed development projects	181,153,054	237,702,715	120,804,050	34,132,277
Balance as at 31 December/ 30 September	(173,999,983)	(75,085,343)	(77,863,711)	(103,238,200)
Balance at end of year/period	171,900,084	135,101,030	131,613,075	149,598,624

13. ACCOUNTANTS' REPORT (Cont'd)**7. INVENTORIES (CONTINUED)**

	As at			
	31.12.2017 Audited RM	31.12.2018 Audited RM	31.12.2019 Audited RM	30.9.2020 Audited RM
Represented by:				
Freehold land, at cost	87,327,844	78,997,378	60,724,253	55,455,734
Leasehold land, at cost	14,891,023	8,327,344	8,327,344	8,327,344
Development expenditure	243,681,200	122,861,651	140,425,189	189,053,746
Accumulated costs charged to profit or loss	<u>(173,999,983)</u>	<u>(75,085,343)</u>	<u>(77,863,711)</u>	<u>(103,238,200)</u>
	<u>171,900,084</u>	<u>135,101,030</u>	<u>131,613,075</u>	<u>149,598,624</u>

Included in property development costs is interest expense capitalised of RM4,962,023 (2019: RM6,934,494; 2018: RM4,883,482; 2017: RM3,763,901) for the Group.

Land held for property development of the Group which have been pledged with licensed banks for bank borrowings granted to the Group as disclosed in Note 13.

8. DEFERRED TAXATION

	As at			
	31.12.2017 Audited RM	31.12.2018 Audited RM	31.12.2019 Audited RM	30.9.2020 Audited RM
Balance as at beginning of financial year/period	(40,000)	412,000	(46,000)	(46,000)
Recognised in profit or loss				
- Current financial year/period	490,603	(537,637)	-	-
- Over/(Under) provision in previous year	<u>(38,603)</u>	<u>79,637</u>	<u>-</u>	<u>-</u>
Balance as at end of financial year/period	<u>412,000</u>	<u>(46,000)</u>	<u>(46,000)</u>	<u>(46,000)</u>
Presented after appropriate offsetting as follows:				
- Deferred tax assets	431,000	-	-	-
- Deferred tax liabilities	<u>(19,000)</u>	<u>(46,000)</u>	<u>(46,000)</u>	<u>(46,000)</u>
	<u>412,000</u>	<u>(46,000)</u>	<u>(46,000)</u>	<u>(46,000)</u>

13. ACCOUNTANTS' REPORT (Cont'd)

8. DEFERRED TAXATION (CONTINUED)

Deferred tax liabilities:

Deferred tax liabilities mainly arose from temporary differences from property, plant and equipment.

The balance in the deferred tax liabilities is made up of tax effects of temporary differences arising from:

	31.12.2017	31.12.2018	As at 31.12.2019	30.9.2020
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Excess of net book value over tax written down value of property, plant and equipment	(79,167)	(191,667)	(191,667)	(191,667)

Deferred tax assets

The balance in the deferred tax assets is made up of tax effects of temporary differences arising from:

	31.12.2017	31.12.2018	As at 31.12.2019	30.9.2020
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Excess of net book value over tax written down value of property, plant and equipment	(193,171)	-	-	-
Unutilised capital allowances	229,963	-	-	-
Unutilised tax losses	1,759,042	-	-	-
	<u>1,795,834</u>	<u>-</u>	<u>-</u>	<u>-</u>

Deferred tax assets are recognised for unutilised tax losses and unutilised capital allowance of Teladan Setia to the extent that realisation of the related tax benefit through future taxable profits is probable.

Deferred tax assets have been recognised in respect of the above items because that the future taxable profit will be available against which the Group can utilise benefits there from.

The availability of the unused tax losses, unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries are subject to the provisions of the Income Tax Act, 1967.

13. ACCOUNTANTS' REPORT (Cont'd)

9. TRADE AND OTHER RECEIVABLES

	31.12.2017	31.12.2018	As at 31.12.2019	30.9.2020
	Audited RM	Audited RM	Audited RM	Audited RM
Trade				
Third parties	42,442,719	53,201,144	17,088,684	22,270,147
Non-trade				
Other receivables	4,098,261	1,637,877	1,148,120	566,376
Deposits	5,194,392	16,387,741	9,221,835	10,974,039
Prepayments	38,607	35,300	205,274	205,274
Interest receivables	35,399	80,256	78,451	294,163
Amount due by related party	17,851	152,275	-	-
	9,384,510	18,293,449	10,653,680	12,039,852
Total trade and other receivables	51,827,229	71,494,593	27,742,364	34,309,999
Trade and other receivables (excluding non- financial assets)	51,788,622	71,459,293	27,537,090	34,104,725
Add: Cash and cash equivalents (Note 11)	69,700,689	85,234,078	92,296,801	75,565,793
Total financial assets at amortised cost	121,489,311	156,693,371	119,833,891	109,670,518

(a) In year 2017 and 2018 the amount due by related party, refers to a company in which a director of the Group is also a director and has financial interest was advances which were unsecured, interest free and recoverable on demand.

(b) Included in the deposits of RM2,154,545 (2019: RM2,753,721; 2018: RM11,518,119; 2017: Nil) paid for the purchase of eight parcel of freehold land and leasehold land.

13. ACCOUNTANTS' REPORT (Cont'd)

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) The ageing analysis of trade receivables are as follows:

	31.12.2017	31.12.2018	As at 31.12.2019	30.9.2020
	Audited RM	Audited RM	Audited RM	Audited RM
Not past due	13,066,194	20,044,509	7,558,783	9,759,749
Past due 1-30 days	14,929,782	5,271,350	4,507,645	6,574,276
Past due 31 to 120 days	9,594,023	22,867,904	3,190,465	4,657,964
Past due more than 120 days	4,852,720	5,017,381	1,831,791	1,278,158
	<u>42,442,719</u>	<u>53,201,144</u>	<u>17,088,684</u>	<u>22,270,147</u>

(d) The ageing analysis of trade receivables are as follows:

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records.

(e) Information on financial risks of trade and other receivables are disclosed in Note 30.

13. ACCOUNTANTS' REPORT (Cont'd)

10. CONTRACT ASSETS AND CONTRACT LIABILITIES

	31.12.2017	31.12.2018	As at 31.12.2019	30.9.2020
	Audited RM	Audited RM	Audited RM	Audited RM
Contract assets				
Balance as at beginning of year/period	4,759,415	33,831,923	16,279,594	56,869,773
Transfer from contract liabilities	-	(10,267,338)	-	-
Add: Revenue recognised in the year/period	332,957,643	259,141,151	232,988,035	100,028,442
Less: Billing during the year/period	<u>(303,885,135)</u>	<u>(266,426,142)</u>	<u>(192,397,856)</u>	<u>(111,396,434)</u>
Balance at end of year/period	<u>33,831,923</u>	<u>16,279,594</u>	<u>56,869,773</u>	<u>45,501,781</u>
Contract cost				
Balance as at beginning of year/period	8,781,786	1,331,114	946,188	4,181,800
Add: Contract cost incurred in the year/period	7,076,423	6,376,705	5,588,711	1,307,517
Less: Amortisation for the year/period	<u>(14,527,095)</u>	<u>(6,761,631)</u>	<u>(2,353,099)</u>	<u>(1,829,788)</u>
Balance at end of year/period	<u>1,331,114</u>	<u>946,188</u>	<u>4,181,800</u>	<u>3,659,529</u>
Contract liabilities				
Balance as at beginning of year/period	-	(10,267,338)	-	-
Transfer to contract assets	-	10,267,338	-	-
Add: Revenue recognised in the year/period	26,553,206	-	-	-
Less: Billing during the year/period	<u>(36,820,544)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at end of year/period	<u>(10,267,338)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Represented by:				
Contract assets and contract costs	35,163,037	17,225,782	61,051,573	49,161,310
Contract liabilities	<u>(10,267,338)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Contract costs comprises the following costs which were resulted from obtaining contracts:

- sales commission paid to intermediaries; and
- expenses borne on behalf of customers (i.e. legal fees and other expenses).

Sales commission paid to intermediaries are amortised cost of sales when the related revenues are recognised.

Expenses borne on behalf of customers are considered as consideration payable to customers and are amortised against revenue when the related revenues are recognised.

13. ACCOUNTANTS' REPORT (Cont'd)**11. CASH AND CASH EQUIVALENTS**

	31.12.2017	31.12. 2018	As at 31.12.2019	30.9.2020	30.9.2019
	Audited	Audited	Audited	Audited	Unaudited
	RM	RM	RM	RM	RM
Cash and bank balances	61,080,533	48,078,638	46,635,280	19,426,355	43,645,815
Fixed deposits placed with licensed banks	8,620,156	14,293,892	13,715,691	25,339,344	14,184,389
Short-term investment	-	22,861,548	31,945,830	30,800,094	34,863,575
Balance as stated in the Statements of Financial Position	69,700,689	85,234,078	92,296,801	75,565,793	92,693,779
Less: Bank overdrafts	(4,640,529)	(3,859,959)	(4,745,215)	(5,427,707)	(1,504,999)
Fixed deposits pledged with licensed banks	(2,334,287)	(12,623,891)	(12,780,307)	(13,840,460)	(12,472,926)
Fixed deposits mature in more than three months	(759,098)	(783,163)	(808,840)	(337,260)	(805,463)
Balance for Statements of Cash Flows purposes	61,966,775	67,967,065	73,962,439	55,960,366	77,910,391

- (a) Included in cash and bank balances of the Group are amounts of RM13,042,002 (2019: RM25,938,219; 2018: RM35,080,331; 2017: RM40,534,017) held under the Housing Development Accounts ("HDA") pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966. These HDA accounts, which consist of monies received from purchasers, are for the payment of property development costs incurred. The surplus monies in these accounts, if any, will be released to the Group in accordance with the provisions of the Act.
- (b) Fixed deposits of the Group have maturity periods of 1 to 15 months (2019, 2018 and 2017: 1 to 15 months). The effective interest rates of the fixed deposits are between 1.61% to 3.97% (2019: 2.85% to 4.20%; 2018: 3.10% to 4.20%; 2017: 2.95% to 4.15%) per annum.
- (c) Included in fixed deposits with licensed banks is an amount of RM13,039,460 (2019: RM12,780,307; 2018: RM12,623,891; 2017: RM2,334,287) pledged to licensed banks for bank facilities granted to the Group.
- (d) Short-term funds represent investment in highly liquid money market, which is readily convertible to a known amount of cash. The effective interest rate of the Company is 1.87% (2019: 3.52%; 2018: 3.59%) per annum.

13. ACCOUNTANTS' REPORT (Cont'd)

12. SHARE CAPITAL

	31.12.2017	31.12.2018	As at 31.12.2019	30.9.2020
	Audited RM	Audited RM	Audited RM	Audited RM
Issued and fully paid				
Ordinary shares				
At beginning of financial year/period	3,750,000	3,750,000	3,750,000	3,750,002
Incorporation of TSG	-	-	2	-
At end of financial year/period	<u>3,750,000</u>	<u>3,750,000</u>	<u>3,750,002</u>	<u>3,750,002</u>

13. BANK BORROWINGS

	31.12.2017	31.12.2018	As at 31.12.2019	30.9.2020
	Audited RM	Audited RM	Audited RM	Audited RM
Non-current				
Term loans	<u>86,058,067</u>	<u>67,964,841</u>	<u>105,912,564</u>	<u>104,686,300</u>
Current				
Term loans	7,748,431	12,449,189	17,716,697	13,482,828
Bank overdrafts	4,640,529	3,859,959	4,745,215	5,427,707
Bridging loans	<u>2,421,401</u>	<u>-</u>	<u>-</u>	<u>2,707,543</u>
	<u>14,810,361</u>	<u>16,309,148</u>	<u>22,461,912</u>	<u>21,618,078</u>
Total bank borrowings	<u>100,868,428</u>	<u>84,273,989</u>	<u>128,374,476</u>	<u>126,304,378</u>

- (a) Term loans, bank overdrafts and bridging loans of the Group are secured by legal charges over certain of the Group's property, plant and equipment, land held for property development and property development costs respectively disclosed in Notes 5 and Note 7. Term loans and bank overdrafts are guaranteed jointly and severally by the directors of the Group. The discharge of the directors' personal guarantee shall be upon successful listing of Teladan Setia Group Berhad on ACE market of Bursa Malaysia.
- (b) Term loans interest are payable between 3.32% to 7.91% per annum (2019: 4.88% to 8.27%; 2018: 4.88% to 8.57%; 2017: 4.61% to 8.30%). The loans are repayable by monthly instalments of various amount each, inclusive of interest. Bank overdrafts interests are payable at 7.14% per annum (2019: 8.27%; 2018: 8.27% to 8.88%; 2017: 8.00% to 8.61%) and repayable on demand.
- (c) The bridging loans bear effective interest rate of 4.57% per annum (2019 and 2018: Nil; 2017: 9.31%).

13. ACCOUNTANTS' REPORT (Cont'd)**14. FINANCE LEASE LIABILITIES**

	31.12.2017	31.12.2018	As at 31.12.2019	30.9.2020
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Future minimum hire purchase repayments				
- Not later than one year	366,416	197,679	237,064	191,256
- Later than one year and not later than five years	161,551	223,312	405,308	282,350
Less: Future interest charges	(47,831)	(40,411)	(56,680)	(33,081)
Present value of hire purchase liabilities	<u>480,136</u>	<u>380,580</u>	<u>585,692</u>	<u>440,525</u>
Repayable as follows:				
Current				
- Not later than one year	333,301	180,200	216,230	180,479
Non-current				
- Later than one year and not later than five years	<u>146,835</u>	<u>200,380</u>	<u>369,462</u>	<u>260,046</u>
	<u>480,136</u>	<u>380,580</u>	<u>585,692</u>	<u>440,525</u>

The annual effective interest rates of the finance lease liabilities range from 4.49% to 4.86% (2019: 4.49% to 5.02%; 2018: 4.49% to 5.02%; 2017: 4.76% to 5.02%) per annum.

13. ACCOUNTANTS' REPORT (Cont'd)**15. TRADE AND OTHER PAYABLES**

	As at			
	31.12.2017 Audited RM	31.12.2018 Audited RM	31.12.2019 Audited RM	30.9.2020 Audited RM
Trade				
Third parties	8,570,725	13,056,851	18,916,986	15,916,725
Retention sum payables	23,136,586	17,516,037	20,143,485	14,281,516
Accrued development costs	15,413,312	8,773,951	6,488,990	1,640,623
	<u>47,120,623</u>	<u>39,346,839</u>	<u>45,549,461</u>	<u>31,838,864</u>
Non-trade				
Other payables	3,125,071	6,157,071	6,584,258	5,553,307
Dividend payable	-	26,200,000	13,700,000	-
Accrued expenses	7,080,131	3,516,199	2,561,414	306,714
Deposits received	1,533,110	919,282	463,198	341,034
Amount due to related party	13,502,600	-	-	-
	<u>25,240,912</u>	<u>36,792,552</u>	<u>23,308,870</u>	<u>6,201,055</u>
Total trade and other payables	<u>72,361,535</u>	<u>76,139,391</u>	<u>68,858,331</u>	<u>38,039,919</u>
Trade and other payables	72,361,535	76,139,391	68,858,331	38,039,919
Add:				
- Lease liabilities (Note 6)	-	533,413	448,940	314,734
- Bank borrowings (Note 13)	100,868,428	84,273,989	128,374,476	126,304,378
- Finance lease liabilities (Note 14)	480,136	380,580	585,692	440,525
Total financial liabilities carried at amortised cost	<u>173,710,099</u>	<u>161,327,373</u>	<u>198,267,439</u>	<u>165,099,556</u>

In year 2017, the amounts due to a related party a company in which a director of the Group is also a director and has financial interest was unsecured, interest bearing at 4% per annum and repayable on demand.

13. ACCOUNTANTS' REPORT (Cont'd)

16. REVENUE

	Financial years ended			9 months financial period ended	
	31.12.2017	31.12.2018	31.12.2019	30.9.2020	30.9.2019
	Audited RM	Audited RM	Audited RM	Audited RM	Unaudited RM
Revenue from continuing operations are as follows:					
Sales of					
- recognised over time	342,048,524	215,687,231	193,062,970	88,710,013	150,975,549
- recognised at a point in time	<u>17,462,325</u>	<u>43,453,920</u>	<u>39,925,065</u>	<u>11,318,429</u>	<u>25,481,399</u>
	<u>359,510,849</u>	<u>259,141,151</u>	<u>232,988,035</u>	<u>100,028,442</u>	<u>176,456,948</u>

17. COST OF SALES

	Financial years ended			9 months financial period ended	
	31.12.2017	31.12.2018	31.12.2019	30.9.2020	30.9.2019
	Audited RM	Audited RM	Audited RM	Audited RM	Unaudited RM
Cost of sales from continuing operations are as follows:					
- Property development costs	229,663,783	138,788,075	123,582,418	59,506,766	95,655,810
- Cost of inventories	10,576,505	28,555,101	28,868,944	4,057,578	18,667,198
Others	<u>-</u>	<u>109,065</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>240,240,288</u>	<u>167,452,241</u>	<u>152,451,362</u>	<u>63,564,344</u>	<u>114,323,008</u>

13. ACCOUNTANTS' REPORT (Cont'd)

18. OTHER OPERATING INCOME

	Financial years ended			9 months financial period ended	
	31.12.2017	31.12.2018	31.12.2019	30.9.2020	30.9.2019
	Audited RM	Audited RM	Audited RM	Audited RM	Unaudited RM
Other operating income from continuing operations are as follows:					
Deposits forfeiture	376,617	288,405	33,771	132,870	70,021
Gain on disposal of					
- Property, plant and equipment	-	107,355	460,903	277,214	245,904
- A subsidiary	-	127,732	-	-	-
Sales of oil palm fresh fruit bunches	-	-	122,186	6,690	102,948
Interest income	1,186,948	1,801,930	1,698,880	1,428,091	1,113,078
Rental income	1,321	11,202	27,700	73,700	14,200
Other income	157,771	276,520	126,351	399,862	113,135
	<u>1,722,657</u>	<u>2,613,144</u>	<u>2,469,791</u>	<u>2,318,427</u>	<u>1,659,286</u>

19. FINANCE COSTS

	Financial years ended			9 months financial period ended	
	31.12.2017	31.12.2018	31.12.2019	30.9.2020	30.9.2019
	Audited RM	Audited RM	Audited RM	Audited RM	Unaudited RM
Finance costs from operations are as follows:					
- Bank overdraft	539,979	377,329	199,560	314,385	121,324
- Term loan interests	183,613	197,049	197,586	109,401	154,138
- Interest expenses on finance leases	40,880	35,396	21,252	16,299	18,487
- Interest expenses on lease liabilities	-	50,985	49,511	25,994	34,637
- Others	458,185	353,308	-	-	-
	<u>1,222,657</u>	<u>1,014,067</u>	<u>467,909</u>	<u>466,079</u>	<u>328,586</u>

13. ACCOUNTANTS' REPORT (Cont'd)

20. PROFIT BEFORE TAXATION

Profit before taxation from continuing operations is stated at after charging/(crediting):

	Financial years ended			9 months financial period ended	
	31.12.201 Audited RM	31.12.201 Audited RM	31.12.2019 Audited RM	30.9.2020 Audited RM	30.9.2019 Unaudited RM
Auditors'	90,000	101,300	90,000	45,500	45,500
Bad debts written	-	-	16,400	288	-
Depreciation of					
- property, plant and equipment	1,101,730	1,386,797	1,155,723	768,550	829,251
- right-of-use assets	-	147,663	165,544	124,594	124,013
Property, plant and equipment written off	1,198,946	5,466	-	-	-
Loss/(Gain) on disposal					
- property, plant and equipment	62,309	(107,355)	(459,242)	(277,214)	(244,243)
- a subsidiary	-	(127,732)	-	-	-

21. TAXATION

	Financial years ended			9 months financial period ended	
	31.12.2017 Audited RM	31.12.2018 Audited RM	31.12.2019 Audited RM	30.9.2020 Audited RM	30.9.2019 Unaudited RM
Taxation from continuing operations are as follows:					
Current financial					
- income tax	18,798,219	16,539,946	13,795,000	6,621,000	11,935,000
- deferred tax	(490,603)	537,637	-	-	-
(Over)/Under provision in previous financial years					
- income tax	(4,075)	68,288	(1,859,861)	(143,985)	238
- deferred tax	38,603	(79,637)	-	-	-
	<u>18,342,144</u>	<u>17,066,234</u>	<u>11,935,139</u>	<u>6,477,015</u>	<u>11,935,238</u>

13. ACCOUNTANTS' REPORT (Cont'd)**21. TAXATION (CONTINUED)**

A reconciliation of income tax expense on the profit before taxation with the applicable statutory income tax rate is as follows:

	Financial years ended			9 months financial period ended	
	31.12.2017	31.12.2018	31.12.2019	30.9.2020	30.9.2019
	Audited	Audited	Audited	Audited	Unaudited
	RM	RM	RM	RM	RM
Profit before taxation	81,245,299	65,789,606	55,336,851	23,779,083	45,646,426
Taxation at statutory tax rate of 24%	19,498,872	15,789,505	13,280,844	5,706,980	10,955,142
Tax effects in respect of:					
Non-allowable expenses	976,497	1,288,078	514,156	914,020	979,858
New rate applicable for incremental chargeable income from 24% to 20%	(2,167,753)	-	-	-	-
Under/(Over) provision in prior years					
- income tax	(4,075)	68,288	(1,859,861)	(143,985)	238
- deferred tax	38,603	(79,637)	-	-	-
Total tax expense	18,342,144	17,066,234	11,935,139	6,477,015	11,935,238

13. ACCOUNTANTS' REPORT (Cont'd)

22. STAFF COSTS

	Financial years ended			9 months financial period ended	
	31.12.2017	31.12.2018	31.12.2019	30.9.2020	30.9.2019
	Audited	Audited	Audited	Audited	Unaudited
	RM	RM	RM	RM	RM
Staff costs from continuing operations are as follows:					
- Salaries, allowances and bonus	6,276,528	5,518,480	4,956,627	2,262,149	2,395,956
- EPF	732,922	666,559	529,023	274,559	274,044
- SOCSO	28,234	30,066	32,312	24,886	24,197
- Others	496,978	218,502	405,987	136,709	418,708
	<u>7,534,662</u>	<u>6,433,607</u>	<u>5,923,949</u>	<u>2,698,303</u>	<u>3,112,905</u>
Directors' remuneration from operations are as follows:					
- Salaries, allowance and bonus	3,520,000	3,680,000	4,565,000	562,371	1,065,000
- Directors' fee	850,000	-	700,000	386,000	650,000
- EPF	307,200	326,400	407,320	65,556	83,400
	<u>4,677,200</u>	<u>4,006,400</u>	<u>5,672,320</u>	<u>1,013,927</u>	<u>1,798,400</u>

13. ACCOUNTANTS' REPORT (Cont'd)

23. DIVIDENDS

	Financial years ended			
	31.12.2017		31.12.2018	
	Dividend per share Audited Sen	Amount of dividend Audited RM	Dividend per share Audited Sen	Amount of dividend Audited RM
In respect of the financial year ended 31 December 2017				
Single tier dividend				
- First interim	0.33	1,250,000		
- Second interim	0.27	1,000,000		
- Third interim	0.33	2,500,000		
In respect of the financial year ended 31 December 2018				
Single tier dividend				
- First interim			0.27	1,000,000
- Second interim			0.27	3,000,000
- Third interim			0.33	26,200,000
	<u>0.93</u>	<u>4,750,000</u>	<u>0.87</u>	<u>30,200,000</u>

(a) The single tier dividend declared in respect of the financial year ended 31 December 2020 has been paid out in Year 2018 of RM4,000,000, Year 2019 of RM12,500,000 and Year 2020 of RM13,700,000 respectively.

(b) No dividend declared or pay out as at 31 December 2019 and 30 September 2020.

13. ACCOUNTANTS' REPORT (Cont'd)

24. DISCONTINUED OPERATION/DISPOSAL OF A SUBSIDIARY

On 31 December 2018, the Group entered into an agreement to dispose of a subsidiary, Widenote. Widenote is principally engage in the provision of lodging services. This decision is consistent with the Group's strategy to focus on its main core businesses in property development. The disposal was completed during the financial year ended 2018.

Effects of disposal on the financial position of the Group

	2018 Audited RM
Property, plant and equipment	113,812
Inventories	601
Trade receivables, deposit and prepayments	33,969
Cash and cash equivalents	356,954
Trade and other payables	<u>(633,067)</u>
Net liabilities	<u>(127,731)</u>
Gain on disposal to the Group	<u>127,732</u>
Consideration received, satisfied in cash	1
Cash and cash equivalents disposed of	<u>(356,954)</u>
Net cash outflows	<u>(356,953)</u>

Results of discontinued operation/disposal of a subsidiary

	2017 Audited RM	2018 Audited RM
Revenue	4,500	1,270,427
Expenses	<u>(3,114)</u>	<u>(1,041,926)</u>
Gross profit	1,386	228,501
Other income	-	8,211
Administrative expenses	<u>(27,007)</u>	<u>(338,823)</u>
Loss before taxation	(25,621)	(102,111)
Tax expense	<u>-</u>	<u>-</u>
Loss for the year	<u>(25,621)</u>	<u>(102,111)</u>

13. ACCOUNTANTS' REPORT (Cont'd)

24. DISCONTINUED OPERATION/DISPOSAL OF A SUBSIDIARY (CONTINUED)

Loss before taxation for discontinued operation/disposal of a subsidiary is stated after charging:

	2017 Audited RM	2018 Audited RM
Depreciation of property, plant and equipment	1,381	12,282
Staff costs	6,906	153,950

Cash flows from discontinued operation/disposal of a subsidiary

	2017 Audited RM	2018 Audited RM
Net cash from		
- operating activities	165,814	318,614
- investing activities	(99,013)	(28,462)
- financing activities	-	-
Effect on cash flows	66,801	290,152

13. ACCOUNTANTS' REPORT (Cont'd)

25. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of Midwest

On 20 March 2017, the Company has completed the acquisition of subsidiary, Midwest, with 94% equity interest for a consideration of RM235,000.

The effect of the acquisition of the subsidiary on the combined statements of profit or loss and other comprehensive income of the Group between the date of acquisition and the end of the financial year ended 2017 were as follows:

	2017 Audited RM
Revenue	-
Cost of sales	-
Gross profit	-
Administrative expenses	(5,656)
Loss before taxation	(5,656)
Taxation	-
Non-controlling interest	339
Loss for the financial year/Increase in Group's loss attributable to owners of the Group	<u>(5,317)</u>

The effects of the acquisition of the subsidiary on the combined statement of financial position at year ended 2017 were as follows:

	2017 Audited RM
Cash and bank balances	264,985
Trade and other payables	(15,612)
Increased in Group's net assets	<u>249,373</u>

The fair value of identifiable assets and liabilities of the subsidiary acquired at the date of acquisition and the cost of business combination were:

	2017 Audited RM
Cash and bank balances	264,985
Trade and other payables	(15,612)
Net asset acquired	249,373
Goodwill arising from consolidation	(14,373)
Cost of investment	235,000
Less : Cash and Cash equivalents	(264,985)
Cash flow on acquisition, net of cash and cash equivalents	<u>(29,985)</u>

Midwest Pavilion Sdn Bhd has been strike off from the register of Companies Commission of Malaysia on 1 July 2019.

13. ACCOUNTANTS' REPORT (Cont'd)

25. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) Acquisition of Widenote

On 27 March 2017, the Company acquired 100% equity interest in a subsidiary, Widenote for a total consideration of RM1.

The effect of the acquisition of the subsidiary on the combined statements of profit or loss and other comprehensive income of the Group was not presented in view of immateriality.

On 31 December 2018, the Group entered into an agreement for the disposal of its subsidiary, Widenote. Widenote is involved in the provision of lodging services. The decision is consistent with the Group's strategy to focus on its main core businesses in property development. As a result, the financial results of Widenote is presented as discontinued operation for the financial year ended 2018.

26. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the directors of the Group.

The Group has related party relationship with its subsidiary, related companies and directors.

Key management personnel compensation

Key management personal compensation consists of directors' remuneration as disclosed in Note 22.

27. OPERATING SEGMENTS

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment in Malaysia, namely developer which comprise development of residential and commercial properties

Major customers

There is no single customer that contributed 10% or more to the Group's revenue.

13. ACCOUNTANTS' REPORT (Cont'd)**28. CAPITAL COMMITMENTS**

	31.12.2017	31.12.2018	As at 31.12.2019	30.9.2020
	Audited RM	Audited RM	Audited RM	Audited RM
Land held for property development				
Authorised but not contracted for	-	-	12,752,364	15,190,000
Authorised and contracted for	-	78,244,441	21,233,860	33,429,428
Freehold land				
Authorised but not contracted for	-	-	-	4,366,184
Acquisition of Polyintan				
Authorised and contracted for	-	-	-	11,467,872

29. CONTINGENT LIABILITIES

	31.12.2017	31.12.2018	As at 31.12.2019	30.9.2020
	Audited RM	Audited RM	Audited RM	Audited RM
Bank guarantee for deposits with the housing and local authorities as well as utilities provider	5,063,498	14,709,396	14,532,096	19,020,722

30. FINANCIAL INSTRUMENTS**(a) Categories of financial instruments**

Trade and other receivables (excluding prepayments) and cash and cash equivalents are categorised as financial assets at amortised cost (Note 9) while trade and other payables, bank borrowings, lease liabilities and finance lease liabilities are categorised as financial liabilities carried at amortised cost (Note 15).

(b) Financial risk management objectives and policies

The Group's financial risk management objectives are to optimise value creation for shareholders whilst minimising the potential adverse effects on the performance of the Group.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Group is exposed mainly to the following risks. Information on the management of the related exposures are detailed below.

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

13. ACCOUNTANTS' REPORT (Cont'd)**30. FINANCIAL INSTRUMENTS****(b) Financial risk management objectives and policies (continued)****(i) Credit risk****Receivables and Contract assets**

Credit risk arises when sales are made on deferred credit terms. The Group's controls these risks by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument.

The credit quality of trade receivables that are neither past due nor impaired are substantially amounts due from customers with good collection track record with the Group. Management will continuously monitor closely the trade receivables which are past due.

Credit risk arising from property development

The Group does not have any significant credit risk from its property development activities as its services and products are predominantly rendered and sold to a large number of property purchasers using financing from reputable end-financiers.

Trade receivables are monitored on an on-going basis via Group management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does the Group have any major concentration of credit risk related to any financial instruments. Credit risk with respect to trade receivables are limited as the ownership and rights to the properties revert to the Group in the event of default.

Credit risk arising from other activities of the Group

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers. The Group's historical experience in collection of trade receivables fall within the recorded allowances. Due to these factors, no additional credit risk beyond amounts allowed for collections losses is inherent in the Group's trade receivables.

Credit risk arising from deposits with licensed banks

Concentration of credit risk arising from deposits with licensed banks is limited as bank deposits are held with banks with strong financial strength.

Credit risk arising from corporate guarantee

The corporate guarantee and undertakings are provided by the Group to banks to secure borrowings of certain subsidiaries. The Group monitor the financial performance (including the timeliness of loan repayments) of the subsidiaries on an on-going basis.

13. ACCOUNTANTS' REPORT (Cont'd)**30. FINANCIAL INSTRUMENTS****(b) Financial risk management objectives and policies (continued)****(i) Credit risk (continued)****Credit risk arising from corporate guarantee (continued)**

The maximum credit risk that the Group are exposed to, amounted to:

	As at			
	31.12.2017	31.12.2018	31.12.2019	30.9.2020
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Financial guarantee	<u>2,191,854</u>	<u>1,794,123</u>	<u>7,483,208</u>	<u>6,056,512</u>

representing the maximum amount of the Group could pay if the guarantees were called on.

Generally, the Group consider the financial guarantee to be of low credit risk as the guarantees are provided as credit enhancement to the subsidiaries secured borrowings.

As at the reporting date, there was no loss allowance for impairment as determined by the Group for the financial guarantee.

The fair value of the above financial guarantees has not been recognised since the fair value on initial recognition was not material.

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Contract assets

For contract assets and contract costs, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only few customers. All of these customers have low risk of default as they have a strong capacity to meet their debts.

	As at			
	31.12.2017	31.12.2018	31.12.2019	30.9.2020
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Contract assets	<u>35,163,037</u>	<u>17,225,782</u>	<u>61,051,573</u>	<u>49,161,310</u>

For each significant receivable that is credit-impaired, individual lifetime ECL is recognised using the probability of default technique. The inputs used are: (i) the percent chance of default, and (ii) the expected cash shortfalls. The lifetime ECL is measured at the probability-weighted expected cash shortfalls by reference to the Group's past experience, current conditions and forecast of future economic benefits.

For significant receivables that are not individually credit-impaired and all other receivables, the Group uses a provision matrix that categories the different risk classes (low risk, medium risk and high risk) and the ageing profiles. The collective lifetime ECLs are measured based on the Group's past lost rate experiences, current conditions and forecast of future economic conditions. The past lost rates are adjusted upward in the measurement in worsening current conditions and forecasts of future macroeconomic conditions.

13. ACCOUNTANTS' REPORT (Cont'd)

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

(ii) Liquidity risk (continued)

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group exposure to liquidity risk arises principally from its various payables.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The following table analyses financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	31.12.2017					31.12.2018						
	Carrying amount RM	Contractual interest rate/coupon	Contractual cash flows RM	Under 1 year RM	2-5 years RM	More than 5 years RM	Carrying amount RM	Contractual interest rate/coupon	Contractual cash flows RM	Under 1 year RM	2-5 years RM	More than 5 years RM
GROUP												
<u>Audited</u>												
Trade and other payables	72,361,535	-	72,361,535	58,178,687	14,182,848	-	76,139,391	-	76,139,391	63,263,353	12,876,038	-
Bank borrowings	100,868,428	4.61% - 8.30%	105,069,548	16,468,572	60,661,280	27,939,696	84,273,989	4.88% - 8.57%	106,312,720	13,715,512	47,031,895	45,565,313
Finance lease liabilities	480,136	4.76% - 5.02%	527,967	366,416	161,551	-	380,580	4.49% - 5.02%	420,991	197,679	223,312	-
	173,710,099		177,959,050	75,013,675	75,005,679	27,939,696	533,413	7.72%	636,300	209,400	426,900	-
							161,327,373		183,509,402	77,385,944	60,558,145	45,565,313

13. ACCOUNTANTS' REPORT (Cont'd)

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

(ii) Liquidity risk (continued)

	31.12.2019						
GROUP		Carrying amount RM	Contractual interest rate/coupon	Contractual cash flows RM	Under 1 year RM	2-5 years RM	More than 5 years RM
<i>Audited</i>							
Trade and other payables		68,858,331	-	68,858,331	56,979,968	11,878,363	-
Bank borrowings		128,374,476	4.88% - 8.27%	155,493,179	26,326,938	74,657,043	54,509,198
Finance lease liabilities		585,692	4.49% - 5.02%	642,372	237,064	405,308	-
Lease liabilities		448,940	7.72%	527,900	213,600	314,300	-
		<u>198,267,439</u>		<u>225,521,782</u>	<u>83,757,570</u>	<u>87,255,014</u>	<u>54,509,198</u>
	30.9.2020						
GROUP		Carrying amount RM	Contractual interest rate/coupon	Contractual cash flows RM	Under 1 year RM	2-5 years RM	More than 5 years RM
<i>Audited</i>							
Trade and other payables		38,039,919		38,039,919	22,171,536	15,868,383	-
Bank borrowings		126,304,378	3.32% - 7.91%	145,274,165	23,453,205	74,309,998	47,510,962
Finance lease liabilities		440,525	4.49% - 4.86%	473,606	191,256	282,350	-
Lease liabilities		314,734	7.72%	367,700	144,300	223,400	-
		<u>165,099,556</u>		<u>184,155,390</u>	<u>45,960,297</u>	<u>90,684,131</u>	<u>47,510,962</u>

In respect of those undiscounted repayment obligations arising from corporate guarantees and undertakings provided by the Group as disclosed in Note 30(b)(i), there was no indication as at reporting date that any subsidiaries would default. In the event of a default by the subsidiaries, the financial guarantees could be called on demand.

13. ACCOUNTANTS' REPORT (Cont'd)**30. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management objectives and policies****(ii) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rate, interest rates and other prices that will affect the Group's financial position or cash flows.

Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in market interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	31.12.2017	31.12.2018	As at 31.12.2019	30.9.2020
	Audited	Audited	Audited	Audited
	RM	RM	RM	RM
Group				
Fixed rate				
instruments	-	533,413	448,940	314,734
Floating rate				
instruments				
Bank borrowings	100,868,428	84,273,989	128,374,476	126,304,378

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at FVTPL, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

At reporting date, if interest rates had been 100 basis points higher, with all other variables held constant, the Group's profit after tax would have been RM959,913 (2019: RM975,646; 2018: RM640,482; 2017: RM766,600) lower, arising mainly as a result of higher interest expenses on bank overdrafts respectively for the Group. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments. As term loans were obtained from licensed bank at the prevailing market rate, the carrying value of these financial liabilities approximates their fair value.

13. ACCOUNTANTS' REPORT (Cont'd)**32. CAPITAL MANAGEMENT**

The Group's objective when managing capital is to maintain a strong capital and safeguard the Group's ability to continue as a going concern, so as to maintain investor and creditor confidence and to sustain future development of the business. The Group will seek additional capital injection or advances from its shareholders when necessary.

33. SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

- (i) On 7 October 2020, Teladan Setia entered into a sale and purchase agreement with a third party to purchase a parcel of leasehold land held under PN 55269 Lot 14734, Mukim of Ayer Panas in Melaka for a purchase consideration of RM22,038,100;
- (ii) On 11 November 2020, Teladan Setia entered into a conditional share sale agreement with Polywell Enterprise to acquire the entire equity interest of Polyintan for a total purchase consideration of RM1,825,954. This acquisition is conditional upon Polyintan obtaining a development order for the land that it owns;
- (iii) On 19 November 2020, Teladan Setia entered into a sale and purchase agreement with a third party to purchase a parcel of freehold land held under GM 25 Lot 13253, Mukim of Pringgit in Melaka for a purchase consideration of RM4,455,290;
- (iv) On 11 December 2020, Oriview Realty Sdn Bhd entered into a sale and purchase agreement with a third party to purchase 2 plots of leasehold land held under PN 56988 Lot 14560 and PN 56989 Lot 14561, Mukim of Telok Mas in Melaka for a purchase consideration of RM15,500,000; and
- (v) The World Health Organisation has declared the 2019 Novel Coronavirus infection ("COVID-19") a global pandemic on 11 March 2020. This was followed by the Government of Malaysia for issuing a Federal Government Gazette on 18 March 2020, imposing a Movement Control Order ("MCO") effective from 18 March 2020 to 31 March 2020, arising from the COVID-19 pandemic. The MCO was then subsequently extended until 12 May 2020, followed by Conditional MCO ("CMCO") until 9 June 2020; and then continued with Recovery MCO ("RMCO") until 31 August 2020, which has now been further extended until 31 March 2021.

The COVID-19 pandemic has affected the business operation of the Group, including a temporary halt on all of the development projects during the MCO period in compliance with the directive from the Government Malaysia. Accordingly, the Group financial performance was affected in terms of the delayed revenue recognition for the period of the MCO, resulting lower recognition of revenue and the certification of progress billings. Nevertheless, the Group does not anticipate any liquidated ascertained damages due to the COVID-19 pandemic at this juncture.

Based on the assessment of the Group, there shall be no significant financial impact in respect of the judgements and assumptions used in the preparation of the financial statements for the financial period ended 30 September 2020 arising from the COVID-19 pandemic and the modification of the Housing Development (Control and Licensing Act) 1966 consequential on the passing of COVID-19 Bill. Notwithstanding that, the Group will continue to assess the impact of the COVID-19 pandemic on the financial statements of the Group for the financial year ending 31 December 2020, such as expected credit losses of financial assets, write down of inventories to net realisable values and impairment assessments of assets (property, plant and equipment and investments in subsidiaries). As at the date of authorisation of this report, the COVID-19 pandemic situation is still evolving and uncertain. The Group will continue to actively monitor and manage its operations to minimise any impact arising from the COVID-19 pandemic.

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION

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The Board of Directors
Teladan Setia Group Berhad
8 & 10, Tingkat Bawah
Jalan Mutiara Melaka 2
Taman Mutiara Melaka
Batu Berendam
75350 Melaka

Date: 20 January 2021

Dear Sirs,

Report on the compilation of the Pro Forma Statements of Financial Position included in a prospectus

We have completed our assurance engagement to report on the compilation of the Pro Forma Statements of Financial Position of Teladan Setia Group Berhad ("TSG" or "the Company") and its subsidiaries ("TSG Group", "Pro forma group" or "the Group") prepared by the Board of Directors of the Company. The Pro Forma Statements of Financial Position as at 30 September 2020 together with the accompanying notes as set out in Attachment A have been stamped by us for identification purposes ("report"). The Pro Forma Statements of Financial Position has been prepared for inclusion in the prospectus of the Company in connection with the initial public offering ("IPO") and the listing of and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing").

The applicable criteria on the basis of which the Board of Directors has compiled the Pro Forma Statements of Financial Position are specified in the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and described in Note 1 of the Pro Forma Statements of Financial Position ("Applicable Criteria").

The Pro Forma Statements of Financial Position have been compiled by the Board of Directors for illustrative purposes only, to illustrate the impact of the transactions as set out in Note 1 of the Pro Forma Statements of Financial Position of the Group as at 30 September 2020 had these transactions been effective on 30 September 2020. As part of this process, information about the Group's combined financial position has been extracted by the Directors from the Group audited combined financial statements for the financial period 1 January 2020 to 30 September 2020, on which an audit report dated 20 January 2021 has been issued.

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14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)



The Directors' Responsibility for the Pro Forma Statements of Financial Position

The Board of Directors is responsible for compiling the Pro Forma Statements of Financial Position on the basis described in Note 1 of the Pro Forma Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

Reporting Accountants' Independence and Quality Control

We have complied with the independence requirement in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board of Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

The firm applies *International Standard on Quality Control ("ISQC") 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Pro Forma Statements of Financial Position has been compiled, in all material respects, by the Board of Directors of the Company on the basis as described in Note 1 of the Pro Forma Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors of the Company have compiled, in all material respects, the Pro Forma Statements of Financial Position on the basis as set out in Note 1 of the Pro Forma Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Statements of Financial Position.

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)



Reporting Accountants' Responsibilities (cont'd)

The purpose of Pro Forma Statements of Financial Position included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions as at 30 September 2020 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Statements of Financial Position have been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Board of Directors in the compilation of the Pro Forma Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related Pro Forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Statements of Financial Position has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Statements of Financial Position of the Group have been properly compiled, in all material respects, on the basis as set out in Note 1 of the Pro Forma Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

Other Matter

Our report on the Pro Forma Statements of Financial Position have been prepared for inclusion in the Prospectus in connection with the IPO and should not be relied upon for any other purposes.

A handwritten signature in black ink, appearing to read 'RSM Malaysia', is written over a light blue rectangular background.

RSM Malaysia
AF: 0768
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Se Kuo Shen', is written over a light blue rectangular background.

Se Kuo Shen
02949/03/2022 J
Chartered Accountant

Johor Bahru

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

Attachment A

TELADAN SETIA GROUP BERHAD AND ITS SUBSIDIARIES**1. PRO FORMA GROUP, BASIS OF PREPARATION AND LISTING SCHEME****1.1 Pro Forma Group**

The Pro Forma Statements of Financial Position of Teladan Setia Group Berhad (“TSG” or “the Company”) and its subsidiaries (collectively referred to as “TSG Group”, “Pro Forma Group” or “the Group”) have been prepared for illustrative purposes only for the purpose of inclusion in the Prospectus in connection with the initial public offering of ordinary shares in the Company and the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad (“Listing”).

1.2 Basis of Preparation

The Pro Forma Statements of Financial Position of the Group have been prepared in a manner consistent with the format of the financial statements and accounting policies adopted by the Group for the financial period 1 January 2020 to 30 September 2020, in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Prospectus Guidelines, except for the adoption of the following new accounting policy:

Merger method of accounting

The Pro Forma Statements of Financial Position are consolidated using the merger method as these companies are under the common control by the same parties both before and after the acquisition of the Group. When the merger method is used, the difference between the cost of investment recorded by TSG and the share capital of the subsidiaries are accounted for as merger deficit in the Pro Forma Statements of Financial Position.

The Group is regarded as a continuing entity resulting from the reorganisation exercise because the management of all the entities within the Group, which participated in the reorganisation exercise was under common control before and immediately after the reorganisation exercise. The Group has applied the merger method of accounting on a retrospective basis and restated its comparative as if the consolidation had taken place before the state of the earliest period presented in the financial statements.

The audited financial statements of the Group as at 30 September 2020 were prepared in accordance with MFRSs and IFRSs and were not subject to any audit qualification.

The Pro Forma Statements of Financial Position, because of its nature, may not reflect the actual financial position of the Group. Further, such information does not predict the future financial position of the Group.

The Pro Forma Statements of Financial Position of the Group as at 30 September 2020, has adjusted for the impact of the Listing Scheme as set out in Note 1.3 of this Pro Forma Statements of Financial Position.

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

Attachment A

TELADAN SETIA GROUP BERHAD AND ITS SUBSIDIARIES**1. PRO FORMA GROUP, BASIS OF PREPARATION AND LISTING SCHEME (CONT'D)****1.3 Listing Scheme****(i) Acquisition**

Acquisition entails acquiring the entire equity interest of Teladan Setia Sdn. Bhd. ("Teladan Setia"), for a total purchase consideration of RM322,119,000, to be satisfied via the issuance of 644,238,000 new ordinary shares.

(ii) Initial Public Offering ("IPO")

The IPO involves a public issue of 161,060,000 new ordinary shares in TSG at an issue/offer price of RM0.48 per share.

(iii) Offer for Sale

There is an Offer for Sale of 40,800,000 shares to identified investors, representing approximately 5% of the Company's enlarged number of shares at a price of RM0.48 per share. This Offer for Sale does not affect the total number of new ordinary shares to be issued in this IPO and the Company will not receive any proceeds from the Offer for Sale.

(iv) Listing and Quotation on the ACE Market of Bursa Malaysia Securities Berhad

In conjunction with the IPO, the Company would seek the listing of and quotation for its entire enlarged issued share capital comprising 805,298,002 ordinary shares in TSG on the ACE Market of Bursa Malaysia Securities Berhad.

1.4 Utilisation of Proceeds from IPO

Gross proceeds from the IPO of RM77,308,800 are expected to be utilised as follows:

Details of utilisation	Estimated timeframe for utilisation upon listing	RM
Acquisition of land	Within 36 months	35,000,000
Working capital	Within 36 months	33,108,800
Repayment of bank borrowings	Within 3 months	4,000,000
Estimated listing expenses*	Within 1 month	5,200,000
Total estimated proceeds		77,308,800

* The estimated listing expenses for the issue of the new ordinary shares of RM2,254,000 will be offset against share capital and the remaining estimated listing expenses of approximately RM2,946,000 will be expensed off against profit or loss and this represents a one-off expenditure pursuant to the public issue.

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

Attachment A

TELADAN SETIA GROUP BERHAD AND ITS SUBSIDIARIES

2. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

The Pro Forma Statements of Financial Position as at 30 September 2020 has been prepared for illustrative purposes only to show the effects on TSG Group as at 30 September 2020 based on the assumption that the Listing Scheme as set out in Note 1.3 of the Pro Forma Statements of Financial Position had been effected on 30 September 2020.

Note	Statement of Financial Position as at 30 September 2020	RM	Adjustments for Acquisitions and Subsequent Events		Pro Forma I After Acquisitions And Subsequent Events		Adjustments for Public Issue and Offer for Sale		Pro Forma II After Public Issue and Offer for Sale		Adjustments for Utilisation of Proceeds from Public Issue		Pro Forma III After Utilisation of Proceeds from Public Issue	
			RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
ASSETS														
Non-current assets														
3.1	Property, plant and equipment	-	9,003,413	-	9,003,413	-	-	9,003,413	-	9,003,413	-	-	9,003,413	
	Right-of-use assets	-	283,158	-	283,158	-	-	283,158	-	283,158	-	-	283,158	
3.2	Inventories	-	222,432,833	-	222,432,833	-	-	222,432,833	-	222,432,833	-	35,000,000	257,432,833	
	Total non-current assets	-	231,719,404	-	231,719,404	-	-	231,719,404	-	231,719,404	-	35,000,000	266,719,404	
Current assets														
3.2	Inventories	-	206,889,553	-	206,889,553	-	-	206,889,553	-	206,889,553	-	-	206,889,553	
3.3	Trade and other receivables	169,974	31,985,481	-	32,155,455	-	-	32,155,455	-	32,155,455	-	-	32,155,455	
	Contract assets	-	49,161,310	-	49,161,310	-	-	49,161,310	-	49,161,310	-	-	49,161,310	
	Current tax assets	-	830,406	-	830,406	-	-	830,406	-	830,406	-	-	830,406	
3.4	Cash and cash equivalents	2	59,826,399	77,308,800	59,826,401	77,308,800	77,308,800	137,135,201	137,135,201	137,135,201	(44,200,000)	(44,200,000)	92,935,201	
	Total current assets	169,976	348,693,149	77,308,800	348,863,125	77,308,800	77,308,800	426,171,925	426,171,925	426,171,925	(44,200,000)	(44,200,000)	381,971,925	
	Total assets	169,976	580,412,553	77,308,800	580,582,529	77,308,800	77,308,800	657,891,329	657,891,329	657,891,329	(9,200,000)	(9,200,000)	648,691,329	

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

Attachment A

TELADAN SETIA GROUP BERHAD AND ITS SUBSIDIARIES

2. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020 (CONT'D)

	Note	Statement of Financial Position as at 30 September 2020		Adjustments for Public Issue and Offer for Sale	Pro Forma I After Acquisitions And Subsequent Events	Adjustments for Public Issue and Offer for Sale	Pro Forma II After Public Issue and Offer for Sale	Adjustments for Utilisation of Proceeds from Public Issue	Pro Forma III After Utilisation of Proceeds from Public Issue
		RM	RM						
EQUITY AND LIABILITIES									
Equity									
Share capital	3.5	2	322,119,000	77,308,800	322,119,002	77,308,800	399,427,802	(2,254,000)	397,173,802
Merger deficit	3.6	-	(318,369,000)	-	(318,369,000)	-	(318,369,000)	-	(318,369,000)
Retained profits	3.7	(238,407)	358,193,885	-	357,955,478	-	357,955,478	(2,946,000)	355,009,478
Total equity		(238,405)	361,943,885	77,308,800	361,705,480	77,308,800	439,014,280	(5,200,000)	433,814,280
LIABILITIES									
Non-current liabilities									
Bank borrowings	3.8	-	139,288,627	-	139,288,627	-	139,288,627	-	139,288,627
Lease liabilities		-	195,085	-	195,085	-	195,085	-	195,085
Finance lease liabilities		-	260,046	-	260,046	-	260,046	-	260,046
Deferred tax liabilities	3.9	-	2,197,815	-	2,197,815	-	2,197,815	-	2,197,815
Total non-current liabilities		-	141,941,573	-	141,941,573	-	141,941,573	-	141,941,573

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

Attachment A

TELADAN SETIA GROUP BERHAD AND ITS SUBSIDIARIES

2. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020 (CONT'D)

	Statement of Financial Position as at 30 September 2020	Adjustments for Acquisitions and Subsequent Events	Pro Forma I After Acquisitions And Subsequent Events	Adjustments for Public Issue and Offer for Sale	Pro Forma II After Public Issue and Offer for Sale	Adjustments for Utilisation of Proceeds from Public Issue	Pro Forma III After Utilisation of Proceeds from Public Issue
Note	RM	RM	RM	RM	RM	RM	RM
Current liabilities							
Trade and other payables	3.10	49,044,631	49,453,012	-	49,453,012	-	49,453,012
Bank borrowings	3.8	24,316,751	24,316,751	-	24,316,751	(4,000,000)	20,316,751
Lease liabilities		119,649	119,649	-	119,649	-	119,649
Finance lease liabilities		180,479	180,479	-	180,479	-	180,479
Current tax liabilities		2,865,585	2,865,585	-	2,865,585	-	2,865,585
Total current liabilities		408,381	76,527,095	-	76,935,476	(4,000,000)	72,935,476
Total liabilities		408,381	218,468,668	-	218,877,049	(4,000,000)	214,877,049
Total equity and liabilities		169,976	580,412,553	77,308,800	657,891,329	(9,200,000)	648,691,329
Issued ordinary share capital (Unit)	3.5	2	644,238,000	161,060,000	805,298,002	-	805,298,002
Net (liabilities)/assets per share (RM)		(119,203)	0.56	0.55	0.54		0.54
Gearing ratio ⁽¹⁾		-	0.45	0.37	0.37		0.37
Net gearing ratio ⁽²⁾		-	0.33	0.09	0.19		0.19

Notes:

⁽¹⁾ Gearing ratio is calculated as bank borrowings and finance lease liabilities divided by total equity.

⁽²⁾ Net gearing ratio is calculated as bank borrowings and finance lease liabilities less available cash and bank balances divided by total equity.

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

Attachment A

TELADAN SETIA GROUP BERHAD AND ITS SUBSIDIARIES

2. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020 (CONT'D)

(i) Pro Forma I: Acquisitions and Subsequent events

Pro Forma I is stated after entails the following:

- (a) Acquisition entails acquiring the entire equity interest of Teladan Setia, for a total purchase consideration of RM322,119,000, to be satisfied via the issuance of 644,238,000 new ordinary shares.
- (b) The following subsequent events:
 1. On 21 May 2020, Teladan Setia entered into a sale and purchase agreement with a third party to purchase 4 plots of freehold land held under GRN 6720 Lot 34, GM 150 Lot 37, GRN 12906 Lot 39 and GM 151 Lot 40 Mukim Tanjung Minyak in Melaka for a purchase consideration of RM13,146,767 and the transaction has completed on 10 November 2020;
 2. On 7 October 2020, Teladan Setia entered into a sale and purchase agreement with a third party to purchase a parcel of leasehold land held under PN 55269 Lot 14734, Mukim of Ayer Panas in Melaka for a purchase consideration of RM22,038,100;
 3. On 11 November 2020, Teladan Setia entered into a conditional share sale agreement with Polywell Enterprise Sdn Bhd ('Polywell Enterprise') to acquire the entire equity interest of Polyintan Sdn Bhd ('Polyintan') for a total purchase consideration of RM1,825,954. This acquisition is conditional upon Polyintan obtaining a development order for the land that it owns;
 4. On 19 November 2020, Teladan Setia entered into a sale and purchase agreement with a third party to purchase a parcel of freehold land held under GM 25 Lot 13253, Mukim of Pringgit in Melaka for a purchase consideration of RM4,455,290; and
 5. On 11 December 2020, Oriview Realty Sdn Bhd entered into a sale and purchase agreement with a third party to purchase 2 plots of leasehold land held under PN 56988 Lot 14560 and PN 56989 Lot 14561, Mukim of Telok Mas in Melaka for a purchase consideration of RM15,500,000.

(ii) Pro Forma II: Public Issue and Offer for Sale

Pro Forma II is stated after Pro Forma I and entails the issuance of 161,060,000 new TSG Shares at an issue price of RM0.48 per share.

Meanwhile, the Offer for Sale has no impact to the total number of new ordinary shares to be issued in this IPO. Details of the Offer for Sale is as stated in Note 1.3(iii) of the Pro Forma Statements of Financial Position.

(iii) Pro Forma III: Utilisation of Proceeds from Public Issue

Pro Forma III is stated after Pro Forma II and entails the utilisation of proceeds from public issue amounting to RM77,308,800.

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

Attachment A**TELADAN SETIA GROUP BERHAD AND ITS SUBSIDIARIES****3. NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION****3.1 PROPERTY, PLANT AND EQUIPMENT**

The movements of the property, plant and equipment are as follow:

	RM
As at 30 September 2020	-
Pursuant to acquisitions and subsequent events	
- Acquisition of Teladan Setia	4,548,123
- Purchase of freehold land	<u>4,455,290</u>
As per Pro Forma I/II/III	<u><u>9,003,413</u></u>

3.2 INVENTORIES

The movements of the inventories are as follow:

	RM
NON-CURRENT ASSETS	
As at 30 September 2020	-
Pursuant to acquisitions and subsequent events	
- Acquisition of Teladan Setia	171,747,966
- Purchases of freehold land and leasehold land	<u>50,684,867</u>
As per Pro Forma I/II	222,432,833
Pursuant to utilisation of proceeds from public issue	<u>35,000,000</u>
As per Pro Forma III	<u><u>257,432,833</u></u>
CURRENT ASSETS	
As at 30 September 2020	-
Pursuant to acquisitions and subsequent events	
- Acquisitions of Teladan Setia and Polyintan	<u>206,889,553</u>
As per Pro Forma I/II/III	<u><u>206,889,553</u></u>

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

Attachment A**TELADAN SETIA GROUP BERHAD AND ITS SUBSIDIARIES****3. NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)****3.3 TRADE AND OTHER RECEIVABLES**

The movements of the trade and other receivables are as follow:

	RM
As at 30 September 2020	169,974
Pursuant to acquisitions and subsequent events	
- Acquisition of Teladan Setia	32,390,792
- Eliminations of intercompany balances	<u>(405,311)</u>
As per Pro Forma I/II/III	<u>32,155,455</u>

3.4 CASH AND CASH EQUIVALENTS

The movements of the cash and cash equivalents are as follow:

	RM
As at 30 September 2020	2
Pursuant to acquisitions and subsequent events	
- Acquisition of Teladan Setia	75,511,012
- Purchases of leasehold land	<u>(15,684,613)</u>
As per Pro Forma I	59,826,401
Pursuant to proceeds from public issue	<u>77,308,800</u>
As per Pro Forma II	137,135,201
Pursuant to utilisation of proceeds from public issue	<u>(44,200,000)</u>
As per Pro Forma III	<u>92,935,201</u>

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

Attachment A

TELADAN SETIA GROUP BERHAD AND ITS SUBSIDIARIES**3. NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)****3.5 SHARE CAPITAL**

The movements of the share capital are as follow:

	No. of Shares	RM
As at 30 September 2020	2	2
Pursuant to issuance of shares to the acquisitions of Teladan Setia	<u>644,238,000</u>	<u>322,119,000</u>
As per Pro Forma I	644,238,002	322,119,002
Pursuant to proceeds from public issue	<u>161,060,000</u>	<u>77,308,800</u>
As per Pro Forma II	805,298,002	399,427,802
Arising from offsetting of listing expenses*	<u>-</u>	<u>(2,254,000)</u>
As per Pro Forma III	<u>805,298,002</u>	<u>397,173,802</u>

Note:

* The estimated listing expenses for the issue of the new ordinary shares of RM2,254,000 will be offset against share capital and the remaining estimated listing expenses of approximately RM2,946,000 will be expensed off against profit or loss and this represents a one-off expenditure pursuant to the public issue.

3.6 MERGER DEFICIT

The merger deficit arose from the acquisition of Teladan Setia using the merger method of accounting.

The movements of the merger deficit are as follow:

	RM
As at 30 September 2020	-
Pursuant to acquisition of Teladan Setia	<u>(318,369,000)</u>
As per Pro Forma I/II/III	<u>(318,369,000)</u>

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

Attachment A

TELADAN SETIA GROUP BERHAD AND ITS SUBSIDIARIES**3. NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)****3.7 RETAINED PROFITS**

The movements of the retained profits are as follow:

	RM
As at 30 September 2020	(238,407)
Pursuant to acquisitions and subsequent events	
- Acquisition of Teladan Setia	<u>358,193,885</u>
As per Pro Forma I/II	357,955,478
Arising from listing expenses charged to profit or loss	<u>(2,946,000)</u>
As per Pro Forma III	<u><u>355,009,478</u></u>

3.8 BANK BORROWINGS

The movements of the bank borrowings are as follow:

	RM
NON-CURRENT LIABILITIES	
As at 30 September 2020	-
Pursuant to acquisitions and subsequent events	
- Acquisition of Teladan Setia	104,686,300
- Purchases of freehold land	<u>34,602,327</u>
As per Pro Forma I/II/III	<u><u>139,288,627</u></u>
CURRENT LIABILITIES	
As at 30 September 2020	-
Pursuant to acquisitions and subsequent events	
- Acquisition of Teladan Setia	21,618,078
- Purchases of freehold land	<u>2,698,673</u>
As per Pro Forma I/II	24,316,751
Pursuant to utilisation of proceeds from public issue	<u>(4,000,000)</u>
As per Pro Forma III	<u><u>20,316,751</u></u>

14. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION (Cont'd)

Attachment A

TELADAN SETIA GROUP BERHAD AND ITS SUBSIDIARIES**3. NOTES TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)****3.9 DEFERRED TAX LIABILITIES**

	RM
As at 30 September 2020	-
Pursuant to acquisitions of Teladan Setia and Polyintan	<u>2,197,815</u>
As per Pro Forma I/II/III	<u><u>2,197,815</u></u>

3.10 TRADE AND OTHER PAYABLES

The movements of the trade and other payables are as follow:

	RM
As at 30 September 2020	408,381
Pursuant to acquisitions and subsequent events	
- Acquisitions of Teladan Setia and Polyintan	49,449,942
- Eliminations of intercompany balances	<u>(405,311)</u>
As per Pro Forma I/II/III	<u><u>49,453,012</u></u>

15. VALUATION CERTIFICATES

The table below sets out a summary of our material properties which have been valued by the Independent Valuer:

No.	Property Details	⁽¹⁾Market value as at 31 August 2019
1	Title No. GRN 14999, Lot No. 2308, Mukim of Sungei Udang, District of Melaka Tengah, Melaka A parcel of vacant agricultural land with residential potential	RM7,600,000
2	Title Nos. PN 114690 (formerly known as HSD 185534) & HSD 316625, Lot No. 2030 (formerly known as PT 383) & PT 1259, Pekan Baru Sungai Besi, District of Petaling, Selangor Two (2) adjoining parcels of land comprises a parcel of vacant commercial land and a parcel of residential land with commercial potential	RM67,000,000
3	Title Nos. GRN 22813, GM 107 & GM 2565 (formerly known as GM 99), Lot Nos. 1137, 66 & 24668 (formerly known as Lot 36), Mukim of Tanjong Minyak, District of Melaka Tengah, Melaka Three (3) parcels of vacant agricultural land with residential potential	RM9,500,000
4	Title No. Geran 6772, Lot No. 53, Mukim Tanjong Minyak, District of Melaka Tengah, Melaka A parcel of agricultural land with residential potential	⁽²⁾ RM72,000,000
5	An ongoing Phase 1C, Phase 2, Phase 3 & Phase 4 residential development known as "Taman Desa Bertam" erected on part of Lot 57, PT 17097, PT 17098 & PT 17099, Mukim Tanjong Minyak, District of Melaka Tengah, Melaka An ongoing Phase 1C, Phase 2, Phase 3 & Phase 4 residential development known as "Taman Desa Bertam"	⁽³⁾ RM90,000,000
6	An ongoing serviced apartment development known as "Residensi Mutiara Bali, Kota Syahbandar" (Bali Residences @ Kota Syahbandar) erected on Lot No. 12932, Town Area VI, District of Melaka Tengah, Melaka An ongoing serviced apartment development known as "Residensi Mutiara Bali, Kota Syahbandar" (Bali Residences @ Kota Syahbandar)	RM30,000,000
7	An ongoing Phase 2A2 Residential Development known as "Taman Belimbing Setia", Lot Nos. PT 626 to PT 641 (inclusive), PT 654 to PT 669 (inclusive), PT 684 to PT 697 (inclusive) and PT 706 to PT 723 (inclusive), Mukim of Belimbing, District of Alor Gajah, Melaka An ongoing Phase 2A2 guarded residential development known as "Taman Belimbing Setia" comprises sixty four (64)-units of single storey detached houses	RM8,000,000

15. VALUATION CERTIFICATES (Cont'd)

No.	Property Details	⁽¹⁾Market value as at 31 August 2019
8	<p>An ongoing affordable homes development located within "Taman Bertam Setia" erected on Lot Nos. 9931 to 9961 (inclusive), 9974 to 9984 (inclusive) and 9997 to 10031 (inclusive), Mukim Tanjong Minyak, District of Melaka Tengah, Melaka</p> <p>An ongoing affordable homes development within "Taman Bertam Setia" comprises seventy seven (77) units of 1½-storey terraced houses</p>	<p>⁽⁴⁾RM2,500,000</p>
9	<p>Lot Nos. 7096, 7108, 7109, PT 24384 (formerly Lot No. 7118), 7146, 7150, 7151, 7159, 7166, 7169, 7170, 7171, 7172, 7084 and 31039 (formerly PT 22990), Mukim of Bukit Katil, District of Melaka Tengah, Melaka</p> <p>(All within Taman Saujana Heights, Bukit Katil, Melaka)</p> <p>Thirteen (13) units of double storey detached house and two (2) units of double storey semi-detached house</p>	<p>⁽⁵⁾RM19,870,000</p>
10	<p>Thirty Seven (37) units of Serviced Apartment located within Pangsapuri Atlantis Kota Syahbandar erected on part of Parent Lot No. 2307, Town Area XLIV (formerly Town Area VI), District of Melaka Tengah, Melaka</p> <p>(Pangsapuri Atlantis Kota Syahbandar, Jalan KSB 11A, Melaka)</p> <p>Thirty seven (37) units of serviced apartment</p>	<p>RM23,290,000</p>
11	<p>Lot Nos. PT 16358, PT 16364, PT 16374, PT 16396, PT 16400, PT 16415, PT 16420, PT 16700, PT 16873 and PT 16893, Mukim Tanjong Minyak, District of Melaka Tengah, Melaka</p> <p>(All within Taman Desa Bertam, Melaka)</p> <p>Four (4) units of intermediate, two (2) units of corner lot and four (4) units of end lot double storey terraced house</p>	<p>⁽⁶⁾RM4,220,000</p>
12	<p>Lot Nos. 61937 TO 61944 (inclusive), 61949, 61953, 61955 to 61957 (inclusive), 61959, 61960, 61962, 61964 to 61976 (inclusive) and 61981, Mukim Durian Tunggal, District of Alor Gajah, Melaka</p> <p>(All within Taman Seri Tuah Permai, Melaka)</p> <p>Thirty (30) units of double storey shopoffice comprises:-</p> <ul style="list-style-type: none"> i) Twenty six (26) units of intermediate lot ii) Two (2) units of end lot iii) Two (2) units of corner lot 	<p>⁽⁷⁾RM11,690,000</p>
13	<p>Lot Nos. 24837 to 24840 (inclusive), 24853 to 24863 (inclusive) and 24865 to 24879 (inclusive), Lot Nos. 24896, 24990 and 25047, Lot Nos. 24806 to 24835 (inclusive) and 24880 to 24885 (inclusive), Mukim Tanjong Minyak, District of Melaka Tengah, Melaka</p> <p>(All within Taman Bertam Putra, Melaka)</p> <ul style="list-style-type: none"> i) Thirty (30) units of double storey shopoffice ii) Three (3) units of double storey terraced house iii) Thirty six (36) parcels of vacant commercial terraced plot 	<p>⁽⁸⁾RM15,390,000</p>

15. VALUATION CERTIFICATES (Cont'd)

No.	Property Details	⁽¹⁾Market value as at 31 August 2019
14	Lot Nos. 8759, 8763 to 8770 (inclusive), Mukim of Merlimau, District of Jasin, Melaka (All within Bandar Baru Merlimau Utara, Merlimau, Melaka) Seven (7) units of double storey intermediate shopoffice and two (2) units of double storey end lot shopoffice	RM2,950,000
15	Lot Nos. 8974 to 8981 (inclusive) & 8984 to 8987 (inclusive), Mukim of Cheng, District of Melaka Tengah, Melaka (All within Taman Cheng Setia, Melaka) Eleven (11) units of intermediate and one (1) unit of end lot double storey terraced house	⁽⁹⁾ RM5,230,000

Notes:

- ⁽¹⁾ No updated valuation were conducted as the changes in physical condition, legal ownership including economic and market conditions of our properties which are mainly located in Melaka were not material to warrant an updated valuation of our Group's properties, collectively
- ⁽²⁾ Planning permission was obtained subsequent to the valuation date
- ⁽³⁾ As at LPD, 169 out of 172 units of double storey terraced house under Phase 1C development have been sold and completed
- ⁽⁴⁾ As at LPD, all units under this development have been sold and completed
- ⁽⁵⁾ As at LPD, 13 units have been sold
- ⁽⁶⁾ As at LPD, 7 units have been sold
- ⁽⁷⁾ As at LPD, 7 units have been sold
- ⁽⁸⁾ As at LPD, 1 unit of shopoffice and 2 units of house have been sold
- ⁽⁹⁾ As at LPD, 9 units have been sold

15. VALUATION CERTIFICATES (Cont'd)



Report and Valuation

Our Ref : WTW/01/V/001792/19/TBC

18 December 2019

PRIVATE & CONFIDENTIAL

Teladan Setia Group Berhad
No. 8 & 10, Ground Floor
Jalan Mutiara Melaka 2
Taman Mutiara Melaka
75350 Batu Berendam
Melaka

Dear Sir,

CERTIFICATE OF VALUATION OF FIFTEEN (15) PROPERTIES FOR THE PURPOSE OF SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD IN RELATION TO THE PROPOSED LISTING OF TELADAN SETIA GROUP BERHAD ON THE ACE MARKET

In accordance with the instructions of Teladan Setia Group Berhad, we, C H Williams Talhar & Wong Sdn Bhd, have carried out a valuation on the above mentioned properties as at 31 August 2019 for the proposed listing of Teladan Setia Group Berhad on the ACE Market of Bursa Malaysia Securities Berhad.

This Master Valuation Certificate is prepared for inclusion in the prospectus in relation to the Proposed Listing.

We have prepared and provided this Valuation Certificate which outlines key factors that have been considered in arriving at our opinion of Market Value and reflects all information known by us and based on present market conditions.

The valuation has been prepared in accordance with the requirements as set out in the Asset Valuation Guidelines issued by Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

For all intents and purposes, this Master Valuation Certificate should be read in conjunction with the full Report and Valuation.

The basis of the valuation is Market Value which is defined by the Malaysian Valuation Standards (MVS) to be "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

We have inspected the subject property and the material date of valuation is taken as as 31 August 2019.

C H Williams Talhar & Wong Sdn Bhd (18149-U)
30-01 30th Floor
Menara Multi-Purpose
8 Jalan Munshi Abdullah
P O Box 12157
50100 Kuala Lumpur
Malaysia

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15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC

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METHOD OF VALUATION

In arriving at our opinion of Market Values, we have adopted the following Valuation Methodologies.

1. a) Vacant Lands, Commercial Terraced Plots and Serviced Apartment

Direct Comparison Approach

We have adopted the Direct Comparison Approach of Valuation for the above properties. The Comparison Approach entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, accessibility/visibility, size, tenure, shape, type of development, plot ratio and other relevant characteristics to arrive at the market value.

b) Terraced Houses, Semi-Detached Houses, Detached Houses and Shopoffices

Indirect Comparison Approach

We have adopted the Indirect Comparison Approach of Valuation for the above properties which entails separate valuations of the land and buildings components to arrive at the market value of the subject property. The Indirect Comparison Approach entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, accessibility/visibility, size, tenure, shape, position and other relevant characteristics to arrive at the market value.

2. Shopoffices and Serviced Apartment

Income Approach (Investment Method)

Income Approach (Investment Method) was adopted for Investment Properties. The Income Approach entails determining the net current annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of investment to arrive at the market value.

3. Ongoing Developments and Commercial Terraced Plots

Income Approach (Residual Method)

We have adopted the Income Approach (Residual Method). Under the Residual Method, consideration is given to the gross development value of the project deducting there from the estimated costs of development including construction costs, professional fees, contribution to authorities, marketing, administrative and legal fees, financing charge, contingencies and developer's profit. The resultant answer is then deferred over the period of time required for the completion of the project to arrive at the market value.

The Gross Development Value (GDV) refers to the potential sales revenue achievable from the proposed development units. A survey has been carried out on the transactions and selling prices of similar units launched or transacted in the market in order to arrive at the fair and reasonable sale prices of each components of the subject property. Adjustments are then made for differences in location, size, tenure, density, specifications and other relevant characteristics, if any, to arrive at the final proposed sales figure.

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC

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METHOD OF VALUATION (Cont'd)

The Gross Development Cost (GDC) include preliminaries, contribution to Syarikat Bekalan Air Selangor (SYABAS), Tenaga Nasional Berhad (TNB), Indah Water Konsortium (IWK) and building plan fees, earthwork and site clearance, building construction costs, infrastructure work costs, finance costs, contribution to relevant authorities, marketing, administrative & legal fees, administration & project management, professional fees, contingencies, and developer's profit. In arriving at the GDC, we have considered and adopted the industry average costs as derived from the analysis of contracts awarded for the construction of similar type development components, client's information and the current cost estimates by quantity surveyors according to (Juru Ukur Bahan Malaysia (JUBM) construction cost handbook).

Legal fees, Agency fees and Marketing is adopted at 3% of total GDV, administration (project management) is at 3% of balance of total construction cost, professional fees at 2.7% to 7% of total construction cost and a contingency of 5% of total cost excluding developer's profit is adopted. The developer's profit is adopted at 10% of GDV for land with affordable home component, 15% to 20% of GDV for commercial terraced plots, ongoing normal development components and development land whereby construction have not commenced. The development period for the properties is between 1 year to 5 years. A discount rate of 8.0% is applied for properties in our valuation.

The table below is a summary of Market Values for the properties valued:-

No.	Property Details	Market Value
1	Title No. GRN 14999, Lot No. 2308, Mukim of Sungei Udang, District of Melaka Tengah, Melaka A parcel of vacant agricultural land with residential potential (Our Ref : WTW/01/V/001792B/19/MHA)	RM7,600,000/-
2	Title Nos. PN 114690 (formerly known as HSD 185534) & HSD 316625, Lot No. 2030 (formerly known as PT 383) & PT 1259, Pekan Baru Sungai Besi, District of Petaling, Selangor Two (2) adjoining parcels of land comprises a parcel of vacant commercial land and a parcel of residential land with commercial potential (Our Ref : WTW/01/V/001792C/19/MHA)	RM67,000,000/-
3	Title Nos. GRN 22813, GM 107 & GM 2565 (formerly known as GM 99), Lot Nos. 1137, 66 & 24668 (formerly known as Lot 36), Mukim of Tanjong Minyak, District of Melaka Tengah, Melaka Three (3) parcels of vacant agricultural land with residential potential (Our Ref : WTW/01/V/001792D/19/MHA)	RM9,500,000/-
4	Title No. Geran 6772, Lot No. 53, Mukim Tanjong Minyak, District of Melaka Tengah, Melaka A parcel of agricultural land with residential potential (Our Ref : WTW/01/V/001792E/19/AH)	RM72,000,000/-
5	An Ongoing Phase 1C, Phase 2, Phase 3 & Phase 4 Residential Development known as "Taman Desa Bertam" erected on part of Lot 57, PT 17097, PT 17098 & PT 17099, Mukim Tanjong Minyak, District of Melaka Tengah, Melaka An ongoing Phase 1C, Phase 2, Phase 3 & Phase 4 residential development known as "Taman Desa Bertam" (Our Ref : WTW/01/V/001792A/19/AH)	RM90,000,000/-

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC

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No.	Property Details	Market Value
6	An ongoing serviced apartment development known as "Residensi Mutiara Bali, Kota Syahbandar" (Bali Residences @ Kota Syahbandar) erected on Lot No. 12932, Town Area VI, District of Melaka Tengah, Melaka An ongoing serviced apartment development known as "Residensi Mutiara Bali, Kota Syahbandar" (Bali Residences @ Kota Syahbandar) (Our Ref : WTW/01/V/001792F/19/SIA)	RM30,000,000/-
7	An Ongoing Phase 2A2 Residential Development known as "Taman Belimbing Setia", Lot Nos. PT 626 to PT 641 (inclusive), PT 654 to PT 669 (inclusive), PT 684 to PT 697 (inclusive) and PT 706 to PT 723 (inclusive), Mukim of Belimbing, District of Alor Gajah, Melaka An ongoing Phase 2A2 guarded residential development known as "Taman Belimbing Setia" comprises sixty four (64)-units of single storey detached houses (Our Ref : WTW/01/V/001792H/19/MHA)	RM8,000,000/-
8	An Ongoing Affordable Homes Development located within "Taman Bertam Setia" erected on Lot Nos. 9931 to 9961 (inclusive), 9974 to 9984 (inclusive) and 9997 to 10031 (inclusive), Mukim Tanjong Minyak, District of Melaka Tengah, Melaka An ongoing affordable homes development within "Taman Bertam Setia" comprises seventy seven (77) units of 1½-storey terraced houses (Our Ref : WTW/01/V/001792I/19/MHA)	RM2,500,000/-
9	Lot Nos. 7096, 7108, 7109, PT 24384 (formerly Lot No. 7118), 7146, 7150, 7151, 7159, 7166, 7169, 7170, 7171, 7172, 7084 and 31039 (formerly PT 22990), Mukim of Bukit Katil, District of Melaka Tengah, Melaka (All within Taman Saujana Heights, Bukit Katil, Melaka) Thirteen (13) units of double storey detached house and two (2) units of double storey semi-detached house (Our Ref : WTW/06/V/002778/19/MTT)	RM19,870,000/-
10	Thirty Seven (37) units of Serviced Apartment located within Pangsapuri Atlantis Kota Syahbandar erected on part of Parent Lot No. 2307, Town Area XLIV (formerly Town Area VI), District of Melaka Tengah, Melaka (Pangsapuri Atlantis Kota Syahbandar, Jalan KSB 11A, Melaka) Thirty seven (37) units of serviced apartment (Our Ref : WTW/06/V/002778(A)/19/ARA)	RM23,290,000/-
11	Lot Nos. PT 16358, PT 16364, PT 16374, PT 16396, PT 16400, PT 16415, PT 16420, PT 16700, PT 16873 and PT 16893, Mukim Tanjong Minyak, District of Melaka Tengah, Melaka (All within Taman Desa Bertam, Melaka) Four (4) units of intermediate, two (2) units of corner lot and four (4) units of end lot double storey terraced house (Our Ref : WTW/06/V/002778(B)/19/TAL)	RM4,220,000/-
12	Lot Nos. 61937 TO 61944 (inclusive), 61949, 61953, 61955 to 61957 (inclusive), 61959, 61960, 61962, 61964 to 61976 (inclusive) and 61981, Mukim Durian Tunggal, District of Alor Gajah, Melaka (All within Taman Seri Tuah Permai, Melaka) Thirty (30) units of double storey shopoffice comprises:- i) Twenty six (26) units of intermediate lot ii) Two (2) units of end lot iii) Two (2) units of corner lot (Our Ref : WTW/06/V/002778(C)/19/CHS)	RM11,690,000/-

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC

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No.	Property Details	Market Value
13	Lot Nos. 24837 to 24840 (inclusive), 24853 to 24863 (inclusive) and 24865 to 24879 (inclusive), Lot Nos. 24896, 24990 and 25047, Lot Nos. 24806 to 24835 (inclusive) and 24880 to 24885 (inclusive), Mukim Tanjong Minyak, District of Melaka Tengah, Melaka (All within Taman Bertam Putra, Melaka) i) Thirty (30) units of double storey shopoffice ii) Three (3) units of double storey terraced house iii) Thirty six (36) parcels of vacant commercial terraced plot (Our Ref : WTW/06/V/002778(D)/19/AA)	RM15,390,000/-
14	Lot Nos. 8759, 8763 to 8770 (inclusive), Mukim of Merlimau, District of Jasin, Melaka (All within Bandar Baru Merlimau Utara, Merlimau, Melaka) Seven (7) units of double storey intermediate shopoffice and two (2) units of double storey end lot shopoffice (Our Ref : WTW/06/V/002778(F)/19/MTT)	RM2,950,000/-
15	Lot Nos. 8974 to 8981 (inclusive) & 8984 to 8987 (inclusive), Mukim of Cheng, District of Melaka Tengah, Melaka (All within Taman Cheng Setia, Melaka) Eleven (11) units of intermediate and one (1) unit of end lot double storey terraced house (Our Ref : WTW/06/V/002778(G)/19/TAL)	RM5,230,000/-
Grand Total		RM369,240,000/-

Yours faithfully
for and on behalf of
C H Williams Talhar & Wong Sdn Bhd

Sr HENG KIANG HAI
MBA (Real Estate), B.Surv (Hons) Prop.Mgt,
MRICS, FRISM, MPEPS, MMIPPM
Registered Valuer (V-486)

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC

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CERTIFICATE OF VALUATION

**1.0 Lot No. 2308, Mukim of Sungei Udang, District of Melaka Tengah, Melaka
(Our Ref : WTW/01/V/001792B/19/MHA)**

PROPERTY IDENTIFICATION

The property : A parcel of vacant agricultural land with residential potential

Location : Along Lebu SPA, Melaka

Title No. : GRN 14999

Lot No. : Lot 2308, Mukim of Sungei Udang, District of Melaka Tengah, Melaka

Land Area : 3.997 hectares (approximately 9,877 acres/ 39,970 square metres/ 430,233 square feet)

Registered Owner : TELADAN SETIA SDN BHD

Tenure : Term in perpetuity

Category of Land Use : Tiada

Express Condition : -

Restriction in Interest : Tiada

Encumbrances : Charged to PUBLIC BANK BERHAD

Planning Provision : The subject property is designated for agricultural use as per the Express Condition in the document of title. However, based on Rancangan Tempatan Majlis Bandaraya Melaka Bersejarah 2015, the subject property is zoned under residential.

GENERAL DESCRIPTION

The site is regular in shape, generally undulating in terrain and the north portion of the land lies lower than the existing frontage metalled road, Lebu SPA. During our site inspection, we noted there was a pond located within the subject property and the boundaries were generally not demarcated with any form of fencing.

METHOD OF VALUATION

The subject property is valued using the Comparison Approach as the sole method of valuation as the subject property is a vacant development land without any planning approval/development order.

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC

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VALUE CONSIDERATIONComparison Approach

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Title No.	Geran 22977	Geran 43591	Geran Mukim 126 & 127
Lot No.	Lot No. 2649	Lot No. 4057	Lot Nos. 1185 & 1186
Mukim	Sungei Udang	Sungei Udang	Tanjong Minyak
District/ State	Melaka Tengah/ Melaka		
Locality	Along Lebu SPA		Taman Seri Bertam
Land Area	338,848 square feet (approximately 7.779 acres)	349,611 square feet (approximately 8.026 acres)	536,042 square feet (approximately 12.306 acres)
Tenure	Term in perpetuity (Freehold)		
Date	19/01/2018	01/06/2017	30/06/2017
Vendor	KU CHEN @ KHOO GEE CHEN	BETA VISION DEVELOPMENT SDN BHD	LIM EK HUONG +1
Purchaser	FIRSTLINE CAPITAL SDN BHD	TYT BUILDERS SDN BHD +1	PROSETIA SDN BHD
Consideration	RM6,007,877/-	RM4,544,954/-	RM6,412,592/-
Consideration Land Value (RM psf)	RM17.73psf	RM13.00psf	RM11.96psf
Land Use	Agriculture		
Zoning	Residential		
Adjustments	Adjustments are made on location-general, location- accessibility/visibility, land size, shape and terrain		
Adjusted Land Value (RM psf)	RM17.73psf	RM15.02psf	RM17.59psf

Notes: "psf" denotes per square foot

From the above analysis, the adjusted values range from RM15.02 per square foot to RM17.73 per square foot. Having regard to the foregoing, we have adopted Comparable 1 as best comparable because it is the latest comparable and located immediate to the subject property. The rounded value derived is RM18.00 per square foot. In arriving the market value, we have assigned separate value for the pond area and the remaining land. We have adopted 50% discount (ie. RM9.00 per square foot) for the pond area and adopted RM18.00 per square foot for the remaining land.

Therefore, market value for the subject property is derived at RM7,588,614/-, say RM7,600,000/-.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property free from all encumbrances at RM7,600,000/- (Ringgit Malaysia: Seven Million And Six Hundred Thousand Only).

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC

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**2.0 Lot No. 2030 (formerly known as PT 383) & PT 1259, Pekan Baru Sungai Besi, District of Petaling, Selangor
(Our Ref : WTW/01/V/001792C/19/MHA)**

PROPERTY IDENTIFICATION

The property : Two (2) adjoining parcels of land comprises a parcel of vacant commercial land and a parcel of residential land with commercial potential

Location : Along Jalan Orkid, Off Sungai Besi Expressway, 43300 Seri Kembangan, Selangor

Title Nos./ Lot Nos./ Land Area	Title Nos.	Lot Nos.	Land Area (square metres)
	PN 114690 (Formerly known as HSD 185534)	Lot 2030 (Formerly known as PT 383)	14,650
	HSD 316625	PT 1259	5,072
	Total Land Area		19,722 (approximately 212,286 square feet/ 4.873 acres)

All within Pekan Baru Sungai Besi, District of Petaling, Selangor

Registered Owner : TELADAN SETIA SDN BHD

Tenure : Lot 2030 (Formerly known as PT 383)
Leasehold 99 years expiring on 28 May 2102
(Unexpired term of approximately 83 years)

PT 1259
Leasehold 74 years expiring on 20 March 2091
(Unexpired term of approximately 72 years)

Category of Land Use : Building

Express Condition : Lot 2030 (Formerly known as PT 383)
Bangunan Kediaman

PT 1259
Bangunan Perniagaan

Restriction in Interest : Lot 2030 (Formerly known as PT 383)
Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri.

PT 1259
Tanah yang boleh dipindahmilik, dipajak atau digadai setelah mendapat kebenaran Pihak Berkuasa Negeri.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC

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PROPERTY IDENTIFICATION (Cont'd)

- Encumbrances : Charged to UNITED OVERSEAS BANK (MALAYSIA) BERHAD
- Caveat : Lot 2030 (Formerly known as PT 383)
Nil
- PT 1259
Private caveat lodged by UNITED OVERSEAS BANK (MALAYSIA) on 12 February 2018
- Planning Provision : Lot 2030 (formerly known as PT 383) is designated for residential use while PT 1259 is designated for commercial use as per the Express Condition in the document of title.
- Based on Rancangan Tempatan Majlis Perbandaran Subang Jaya 2020, the subject property is zoned under commercial with permitted plot ratio of 1:5.

GENERAL DESCRIPTION

The combined site is near irregular in shape. There is a sewerage treatment plant adjoining to the south of the subject property with its common boundary demarcated with chain link fencing, boundary between Lot 2030 and PT 1259 was demarcated with metal fencing whilst remaining boundaries were not demarcated with any form of fencing. Brief description of each plot is as follows:-

Lot 2030 (Formerly known as PT 383)

The subject plot is regular in shape and located at the western portion of the subject property. During our site inspection, we noted that the site boundaries were generally demarcated with chain link fencing and boundary between Lot 2030 and PT 1259 was demarcated with metal fencing. The land was partially improved with cement rendered and tarmac together with a canal connecting to The Mines Southern Lake situated at its northern portion.

PT 1259

The subject plot is triangular in shape and located at the eastern portion of the subject property. During our site inspection, we noted that the site boundaries were generally not demarcated with any form of fencing and boundary between Lot 2030 and PT 1259 was demarcated with metal fencing. The site where not built upon was generally improved with tarmac and overgrown with trees and bushes. Adjoining to the east of PT 1259 is The Mines Southern Lake, whilst a canal connecting to The Mines Southern Lake is situated to its northern portion.

There was a 3-storey building was erected on the land. However, for the purpose of our valuation, we have not ascribed any value for the above-mentioned buildings/ structures.

METHOD OF VALUATION

The subject property is valued using the Comparison Approach as the sole method of valuation as the subject property is a vacant development land without any planning approval/development order.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC

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VALUE CONSIDERATION

Comparison Approach

Details	Comparable 1	Comparable 2	Comparable 3
Source	Bursa Announcement dated 28 March 2019 & 12 June 2019	Valuation and Property Services Department (JPPH)	
Title No.	Geran Mukim 1210, 1211, 4375 & HSD 77771, 77772, 95318	Geran Mukim 761	Geran Mukim 704
Lot No.	Lot Nos. 1560, 1561, 101468, 304, 305 & 598	Lot No. 26479	Lot No. 31207
Mukim/ District/ State	Petaling/ Kuala Lumpur/ Federal Territory of Kuala Lumpur		
Locality	Salak Selatan, Kuala Lumpur	Jalan Sungai Besi, Kuala Lumpur	Jalan Kelang Lama, Kuala Lumpur
Land Area	18,750.00 square metres (approximately 201,821 square feet / 4.633 acres)	*8,730.70 square metres (approximately 93,976 square feet / 2.157 acres)	13,822.00 square metres (approximately 148,779 square feet / 3.415 acres)
Tenure	Term in perpetuity (Freehold)		
Date	28/03/2019 & 12/06/2019	01/03/2017	22/07/2016
Vendor	TC GOLDYEAR SDN BHD	ABADI BAIDURI SDN BHD	UNITED ACCOMPLISHMENT SDN BHD
Purchaser	MAH SING PROPERTIES SDN BHD (A WHOLLY-OWNED SUBSIDIARY OF MAH SING GROUP BERHAD)	KENWINGSTON LAND SDN BHD	CONCORD SPRINGS DEVELOPMENT SDN BHD
Consideration	RM88,956,000/-	RM39,000,000/-	RM65,250,000/-
Consideration Land Value (RM psf)	RM441psf	RM415psf	RM439psf
Remark	Development land with commercial potential		
Adjustments	Adjustments are made on location-general, location- accessibility/visibility, land size, tenure, shape and condition of the land, terrain, land use, plot ratio, public transport i.e MRT/LRT/KTM stations, planning approval or development order and negative factor i.e sewerage treatment plant		
Adjusted Land Value (RM psf)	RM397psf	RM394psf	RM428psf

Notes: "psf" denotes per square foot

*Our private title search conducted for Comparable 2 revealed that the land has been acquired via a compulsory land acquisition (Form K) of 4,592.3 square metres on 18 March 1997.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

Comparison Approach (Cont'd)

i) PT 1259 – Commercial Land (Base Lot)

We have adopted Lot PT 1259 as the base lot. From the above analysis, the adjusted values range from RM394 per square foot to RM428 per square foot. Having regard to the foregoing, we have adopted Comparable 1 as best comparable due to its recent transaction. The rounded value derived is RM400 per square foot.

In arriving the market value, we have assigned separate value for the canal area and the remaining land. We have adopted 50% discount (ie. RM200 per square foot) for the canal area and adopted RM400 per square foot for the remaining land.

ii) Lot 2030 (Formerly known as PT 383) – Residential land with commercial potential

From the above base value analysis, we have made further adjustments in terms of land size, shape and land use for Lot 2030. Thus, we have adopted a rounded value of RM310 per square foot for Lot 2030. We have adopted 50% discount (ie. RM155 per square foot) for the canal area and adopted RM310 per square foot for the remaining land.

Therefore, market value for the subject property is derived as follows:-

Lot No.	Market Value	Say
Lot 2030 (Formerly known as PT 383)	RM46,412,494/-	RM46,000,000/-
PT 1259	RM20,525,961/-	RM21,000,000/-
Total Market Value		RM67,000,000/-

VALUATION

Taking into consideration the above factors, we therefore assess the total market value of the subject property with permission to transfer, lease, charge and free from all encumbrances at RM67,000,000/- (Ringgit Malaysia: Sixty Seven Million Only).

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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**3.0 Lot Nos. 1137, 66 & 24668 (formerly known as Lot 36), Mukim of Tanjong Minyak, District of Melaka Tengah, Melaka
(Our Ref : WTW/01/V/001792D/19/MHA)**

PROPERTY IDENTIFICATION

The property : Three (3) parcels of vacant agricultural land with residential potential

Location : Within Taman Desa Bertam, Off Lebuhr SPA, Melaka

Title Nos./ Lot
Nos./ Land Area

Title Nos.	Lot Nos.	Surveyed Land Area/ Net Land Area (hectares)	Surveyed Land Area/ Net Land Area (acres)
GRN 22813	Lot 1137	5.6681	14.006
*GM 107	Lot 66	1.0037	2.480
GM 2565 (Formerly known as GM 99)	Lot 24668 (Formerly known as Lot 36)	1.951	4.821

**Note : An area of 0.7096 acre (about 0.2872 hectare) has been acquired from Lot 66 leaving it with a net land area of 1.0037 hectares*

All within Mukim of Tanjong Minyak, District of Melaka Tengah, Melaka

Registered Owner : TELADAN SETIA SDN BHD

Tenure : Term in perpetuity

Category of Land Use : Tiada

Express Condition : -

Restriction in Interest : Tiada

Encumbrances/
Caveat

Lot Nos.	Encumbrances	Caveats
Lot 1137	Charged to PUBLIC BANK BERHAD	Private caveat lodged by PUBLIC BANK BERHAD
Lot 66	Charged to CIMB BANK BERHAD	Private caveat lodged by CIMB BANK BERHAD
Lot 24668 (formerly known as Lot 36)	Charged to CIMB BANK BERHAD	Private caveat lodged by CIMB BANK BERHAD

Planning Provision : The subject property is designated for agricultural use as per the Express Condition in the document of title. However, based on Rancangan Tempatan Majlis Bandaraya Melaka Bersejarah 2015, the subject property is zoned under residential.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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GENERAL DESCRIPTION

i) Lot 1137

It is regular in shape and generally flat in terrain.

During our site inspection, we noted that the subject site had been partly cleared and ready to be developed and the site boundaries were generally not demarcated with any form of fencing. There was no proper road access connecting to the site and the subject site is currently accessible from Taman Desa Bertam via laterite road of adjoining lot, Lot 1136.

ii) Lot 66

The land which is situated to the south of Lot 1137 is regular in shape and generally flat in terrain.

During our site inspection, we noted that the boundaries of the subject site were not demarcated with any form of fencings and the land was generally planted with matured oil palm.

At the time of inspection, the subject property was easily accessible via the existing metalled road, Jalan Desa Bertam 11.

iii) Lot 24668 (Formerly known as Lot 36)

The subject site is regular in shape and located at the northern part of Taman Desa Bertam development.

During our site inspection, we noted that the site was generally flat and the boundaries were not demarcated with any form of fencings and the subject site was generally planted with oil palm plantation.

At the time of inspection, there was no proper road connection connecting to the site.

Based on PA 108249, we noted that proposed Muslim Cemetery Site is situated adjoining to the north-east of the subject site.

METHOD OF VALUATION

The subject property is valued using the Comparison Approach as the sole method of valuation as the subject property is a vacant development land without any planning approval/development order.

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATIONComparison Approach

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Title No.	Geran Mukim 126 & 127	Geran 43591	Geran 22977
Lot No.	Lot Nos. 1185 & 1186	Lot No. 4057	Lot No. 2649
Mukim	Tanjong Minyak	Sungei Udang	Sungei Udang
District/ State	Melaka Tengah/ Melaka		
Locality	Taman Seri Bertam	Along Lebu SPA	
Land Area	536,042 square feet (approximately 12.306 acres)	349,611 square feet (approximately 8.026 acres)	338,848 square feet (approximately 7.779 acres)
Tenure	Term in perpetuity (Freehold)		
Date	30/06/2017	01/06/2017	19/01/2018
Vendor	LIM EK HUONG +1	BETA VISION DEVELOPMENT SDN BHD	KU CHEN @ KHOO GEE CHEN
Purchaser	PROSETIA SDN BHD	TYT BUILDERS SDN BHD +1	FIRSTLINE CAPITAL SDN BHD
Land Use	Agriculture		
Zoning	Residential		
Consideration	RM6,412,592/-	RM4,544,954/-	RM6,007,877/-
Consideration Land Value (RM psf)	RM11.96psf	RM13.00psf	RM17.73psf
Adjustments	Adjustments are made on time, location-general, location-accessibility/visibility, land size, shape and condition, terrain and site improvement		
Adjusted Land Value (RM psf)	RM11.30psf	RM10.24psf	RM12.41psf

Notes: "psf" denotes per square foot

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)Comparison Approach (Cont'd)i) Lot 1137 (Base Lot)

We have adopted Lot 1137 as the base lot. From the above analysis, the adjusted values range from RM10.24 per square foot to RM12.41 per square foot. Having regard to the foregoing, we have adopted Comparable 1 as best comparable due to its similarity in terms of location as compared to the base lot. We have adopted a rounded value of RM11.00 per square foot over the land area for Lot 1137.

ii) Lot 66

From the above base value analysis, we have made further adjustments in terms of land size, terrain and site improvement for Lot 66. Thus, we have adopted a rounded value of RM11.00 per square foot over the land area for Lot 66.

iii) Lot 24668 (Formerly known as Lot 36)

From the above base value analysis, we have made further adjustments in terms of accessibility/visibility, land size, terrain, site improvement and negative factor ie. adjacent to cemetery for Lot 24668. Thus, we have adopted a rounded value of RM7.50 per square foot over the land area for Lot 24668.

Therefore, market value for the subject property is derived as follows:-

Lot No.	Market Value	Say
Lot 1137	RM6,711,199/-	RM6,700,000/-
Lot 66	RM1,188,451/-	RM1,200,000/-
Lot 24668 (formerly known as Lot 36)	RM1,575,030/-	RM1,600,000/-
Total Market Value		RM9,500,000/-

VALUATION

Taking into consideration the above factors, we therefore assess the total market value of the subject property free from all encumbrances at RM9,500,000/- (Ringgit Malaysia: Nine Million And Five Hundred Thousand Only).

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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**4.0 Lot No. 53, Mukim Tanjong Minyak, District of Melaka Tengah, Melaka
(Our Ref : WTW/01/V/001792E/19/AH)**

PROPERTY IDENTIFICATION

The property : A parcel of agricultural land with residential potential

Location : Lot 53, Off Lebuhr SPA, 75250 Melaka

Title No. : Geran 6772

Lot No. : Lot 53, Mukim of Tanjong Minyak, District of Melaka Tengah, Melaka

Land Area : 67.307 hectares (approximately 166.319 acres/ 7,244,856 square feet)

Registered Owner : TELADAN SETIA SDN BHD

Tenure : Term in perpetuity

Category of Land Use : Tiada

Express Condition : Not stated

Restriction in Interest : Tiada

Encumbrances : Charged to HONG LEONG ISLAMIC BANK BERHAD

Planning Provision : Zoned for residential use

GENERAL DESCRIPTION

The site is irregular in shape, generally undulating in terrain and the site boundaries were generally not demarcated with any form of fencing. At the time of inspection, it was generally planted with matured oil palm trees but no proper road connection connecting to the site. The subject land is currently accessible from the neighbouring on-going scheme of Taman Desa Bertam via laterite road and motorable earth-road from Taman Bertam Impian.

METHOD OF VALUATION

The subject property is valued using the Comparison Approach as the subject property is a vacant development land without any planning approval/development order.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION

Comparison Approach

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH) and Bursa Announcement dated 15 August 2018	Valuation and Property Services Department (JPPH)	Valuation and Property Services Department (JPPH)
Title No.	GRN 62221, GRN 62222 & GRN 22740	PN 55842	GM30, GM29, Geran 4369, GM28, GM27, GM1130, GM1131, GM1128, GM1127, Geran 54911, Geran 9424, Geran 20542, Geran 20642, Geran 22814 & Geran 14896
Lot No.	Lot Nos. 4017, 4018 & 3267	Lot No. 25079	Lot Nos. 4, 31, 41, 220, 221, 1405, 1406, 14550, 14551, 14553, 1777, 1781, 1783, 1784 & 3727
Mukim	Durian Tunggal	Jasin	Ayer Molek / Ayer Panas
District	Alor Gajah	Ayer Panas	Melaka Tengah / Jasin
State	Melaka	Melaka	Melaka
Locality	Durian Tunggal	25079, Bandar Jasin Bestari	Jalan Tun Kudu
Land Area	209.916 acres (approximately 9,143,941 sq. ft.)	83.23 acres (approximately 3,625,282 sq ft)	367.055 acres (approximately 15,988,911 sq ft)
Tenure	Term in perpetuity (Freehold)	Leasehold 99 years expiring on 27 February 2111	Term in perpetuity (Freehold)
Date	15 April 2018	30 April 2018	25 October 2017
Vendor	REAL GOLDEN DEVELOPMENT SDN BHD	TM FACILITIES SDN BHD	SIME DARBY PLANTATION BHD
Purchaser	SCIENTEX HEIGHTS SDN BHD	HOMEWIST CONSTRUCTION (MELAKA) SDN BHD	PREMIUM PRIVELEGE SDN BHD
Land Use	Agriculture	Residential	Agriculture
Zoning	Residential	Residential	Agriculture/ Partly Residential
Consideration	RM68,247,630/-	RM37,100,000/-	RM118,817,241/-
Consideration Land Value (RM psf)	RM7.46 psf	RM10.23 psf	RM7.43 psf
Adjustments	Adjustments are made on location, accessibility, visibility, shape, land size, tenure, land use, zoning and planning approval		
Adjusted Land Value (RM psft)	RM9.70 psf	RM10.23 psf	RM10.40 psf

Note: "psf" denotes per square foot

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

Comparison Approach (Cont'd)

From the above analysis, the adjusted values range from RM9.70 per square foot to RM10.40 per square foot. Having regard to the foregoing, we have adopted Comparable 1 as best comparable due to its similar characteristic in term of land use and zoning. We have adopted a rounded value of RM10.00 per square foot over the land area in our valuation.

Based on the Sale and Purchase Agreement dated 18 September 2018 between CHOP CHEONG BEE SDN BHD (Vendor) and TELADAN SETIA SDN BHD (Purchaser), we noted that the subject property was transacted at a total consideration of RM86,938,267.68/-.

The above sale is analysed at RM12.00 per square foot. In view that the purchase consideration was made with the benefits for the purchaser to expand the on-going scheme of Taman Desa Bertam and eventually connecting the subject land with the completed project of Taman Bertam Setia, which both projects were developed by Teladan Setia Sdn Bhd, therefore we are of the opinion that the difference on the purchase price and our valuation is due to special purchaser arrangement.

Hence, the market value for the subject property based on RM10.00 per square foot is derived at RM72,448,540/-, say RM72,000,000/-.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property free from all encumbrances at RM72,000,000/- (Ringgit Malaysia: Seventy Two Million Only).

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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5.0 An Ongoing Phase 1C, Phase 2, Phase 3 & Phase 4 Residential Development known as "Taman Desa Bertam"
(Our Ref : WTW/01/V/001792A/19/AH)

TERMS OF REFERENCE

As instructed, the valuation is carried out based on the following BASES:-

- I. The subject property is an ongoing Phase 1C, Phase 2, Phase 3 & Phase 4 residential development known as "Taman Desa Bertam";
- II. The valuation is based on the approved planning approval issued by Majlis Bandaraya Melaka Bersejarah bearing reference no. MBMB/JP.08138 (20) and plan reference no. A-3470(P) dated 22 March 2016;
- III. Land area for Phase 1C is measuring 81,445 square metres as per the survey plan provided by client;
- IV. We have considered the sale status report dated 31 August 2019 as provided by the client and the stage completion of the project is based on the Progress Report no. 10 dated 21 August 2019 as prepared by TTK Structures Sdn Bhd;
- V. We have not considered any balance amount carried under sub-phases 1A and 1B considering that both phase have completed with vacant possession and issued with Certificate of Completion and Compliance (CCC) as at date of valuation; and
- VI. A marketable and registrable individual title for residential use will be issued

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE BASIS WHICH ARE ASSUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE BASES IS INVALID/INCORRECT.

PROPERTY IDENTIFICATION

The property : An ongoing Phase 1C, Phase 2, Phase 3 & Phase 4 residential development known as "Taman Desa Bertam"

Address : Taman Desa Bertam, Lebu SPA, 75250 Melaka

Title Nos. & Lot Nos. :

Title Nos.	Lot Nos.	Phase
Part of Geran 6769	Part of Lot 57	Phase 1C
HSD 83140	PT 17097	Phase 2
HSD 83141	PT 17098	Phase 3
HSD 83142	PT 17099	Phase 4

All within Mukim Tanjong Minyak, District of Melaka Tengah, Melaka

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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Page 20**PROPERTY IDENTIFICATION (Cont'd)**

Titled Land Area / Survey Plan	Lot Nos.	Land Area
	Part of Lot 57	81,445 square metres ¹
	PT 17097	162,578 square metres
	PT 17098	284,455 square metres
	PT 17099	124,065 square metres
	Total	652,543 square metres (approximately 7,023,908 sq. ft / 161.247 acres)

Registered Owner : TELADAN SETIA SDN BHD

Encumbrances : Nil

Planning Provision : Zoned under residential

GENERAL DESCRIPTION

The entire development is planned under four (4) development phases with an on-going Phase 1C is still under construction. Phase 2, Phase 3 and Phase 4 earthwork and site clearance as well as major infrastructure are partly ready for the continuation of the future development upon the completion of Phase 1.

Taman Desa Bertam is an on-going residential development by Teladan Setia Sdn Bhd covering a total land area approximately 240 acres. This development comprises single storey cluster homes, double storey terraced houses, double storey semi-detached houses and single storey affordable homes. Phase 1A and 1B of this scheme has already completed and handed over with vacant possession to the purchaser whilst the remaining Phase 1C, Phase 2, Phase 3 and Phase 4 is still under construction.

The site for Phase 1C, Phase 2, Phase 3 and Phase 4 is regular in shape with a total land area of 652,543 square metres (approximately 7,023,908 square feet / 161.247 acres).

Site clearance and earthwork has been carried out over the entire Phase 1 to Phase 4. Higher ground contour has been cut and fills over the low lying area making the land generally flat in terrain and ready for development.

At the time of inspection, we noted that the site boundaries were generally demarcated with metal hoarding sheets. The main entrance was secured with a pair of metal door. We also noted that the site is currently undergoing construction works.

¹ Title land area for Lot 57 is 233.321 acres which comprises 733 units of on-going development under Phase 1. However, as at the date of valuation, 561 units has been completed and left the remaining 172 units under Phase 1C which is still under construction. Designated land area for Phase 1C based on Survey Plan provided by client measuring 81,445 square metres. In our valuation, we have adopted the land area of 81,445 square metres for Phase 1C. Our findings from the title search conducted at Melaka Land Registry Office revealed that the title for Lot 57 has been cancelled in view that the subdivided lots for the completed units has been issued individually.

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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GENERAL DESCRIPTION (Cont'd)Proposed Development

Based on the Planning Approval issued by Majlis Bandaraya Melaka Bersejarah bearing reference no. MBMB/JP. 08138 (20) and Layout Plan as prepared by Konsep Karisma Sdn Bhd bearing reference no. KKSMB/M/14/978/3A both dated on 22 March 2016, the subject property has been approved for a residential development of 1,920 units of houses planned into four (4) development phases.

In addition to the above approval, we noted that CS Loo Architect have submitted a revised building plan on Type A. Total of 172 units of double storey houses which initially was approved under Type A is now revised with a new building plan and identified as Type C and obtained approval on 20 October 2017.

Sales Status as at 31 August 2019 for Phase 1C

Sub-Phases under Phase 1	Type	Total Units	Total Sold Units	Total Unsold Units	Sales Status
Phase 1C	2-storey terraced houses (24'x70')	172	160	12	93%
Total		773	751	22	

Phase 2, Phase 3 and Phase 4 have yet to be launched as at the date of valuation.

Based on the Progress Report No. 10 as at 21 August 2019 prepared by TTK Structures Sdn Bhd, the stage of construction was at 73.98%.

Summary of the total selling price and total amount billed inclusive of rebate as at 31 August 2019 for the sold units are summarized as follows:-

No. of Units	Total Selling Price	Rebate	Total Selling Price After Rebate	Amount Billed*
160	RM48,668,636.00	RM2,678,987.00	RM45,989,649.00	RM25,502,348.25

*Amount billed is inclusive of rebate

PLANNING PROVISION

Based on the Planning Approval issued by Majlis Bandaraya Melaka Bersejarah bearing reference no. MBMB/JP. 08138 (20) and Layout Plan as prepared by Konsep Karisma Sdn Bhd bearing reference no. KKSMB/M/14/978/3A both dated on 22 March 2016, the subject property has been approved for a residential development of 1,920 units of houses planned into four (4) development phases.

In addition to the above approval, we noted that CS Loo Architect have submitted a revised building plan on Type A. Total of 172 units of double storey houses which initially was approved under Type A is now revised with a new building plan and identified as Type C.

Majlis Bandaraya Melaka Bersejarah have given the approval for "Kelulusan Pelan Pindaan" bearing reference number MBMB/JKB.03012/02/2016(16) on 20 October 2017 to CS Loo Architect.

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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METHOD OF VALUATION

We have only adopted one valuation approach ie. Income Approach (Residual Method) in arriving at our valuation as the subject property is an ongoing development.

VALUE CONSIDERATION**Income Approach (Residual Method)****Selling Prices (GDV)**

We also made to understand that the development of Taman Desa Bertam selling prices is fixed by the land office based on the Approval Letter to Surrender and Re-alienation of Lot 38 and Lot 57 by Melaka Land Registry Office bearing reference no. PTG(M)A/352/1/14/2473 (6) dated 30 November 2015.

Vide the above approval letter, Melaka Land Registry Office have given the conditional approval for the developer to comply with the selling prices fixed by the land office.

Brief details of the Phase 2, Phase 3 and Phase 4 selling prices are summarized as follows:-

Phase 2

Development	Type	No. of Units	Selling Price
Double Storey Terraced Houses (22'X70')	Intermediate	102	RM386,000 – RM449,000
	End Lot	9	RM396,000 – RM437,000
	Corner Lot	15	RM453,000 – RM545,000
Double Storey Semi-detached Houses (40'X80')	Intermediate	87	RM590,000 – RM627,000
	End Lot	5	RM600,000 – RM663,000
	Corner Lot	16	RM620,000 – RM715,000
Double Storey Semi-detached Houses (35'X80')	Intermediate	3	RM520,000
	Corner Lot	3	RM569,000 – RM628,000
Single Storey Affordable Homes (20'X70')	Intermediate	124	RM150,000
	End Lot	16	RM174,000
	Corner Lot	8	RM218,000 – RM246,000
Total		388	

Affordable Homes (Phase 2)

We noted that client have made an appeal on the re-adjustment of the selling prices for affordable homes under Phase 1 and Phase 2. Vide an approval letter from Melaka Land Registry Office bearing reference number PTG(M)A/352/1/14/2473 Jld.2 (20) dated 26 January 2017, the above appeal has been approved and selling prices for Phase 2 affordable homes is summarized as follows:

Development	Type	No. of Units	Selling Price
Single Storey Affordable Homes (20'X70')	Intermediate	124	RM180,000
	End Lot	16	RM230,000
	Corner Lot	8	RM280,000
Total		148	

15. VALUATION CERTIFICATES (Cont'd)



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VALUE CONSIDERATION (Cont'd)

Phase 3

Development	Type	No. of Units	Selling Price
Double Storey Semi-detached Houses (40'X80')	Intermediate	391	RM600,000 – RM625,000
	End Lot	1	RM684,000
	Corner Lot	38	RM607,000 – RM781,000
Double Storey Semi-detached Houses (50'X80')	Intermediate	34	RM650,000
	Corner Lot	4	RM645,000 – RM732,000
Double Storey Semi-detached Houses (35'X80')	Intermediate	16	RM514,000 – RM716,000
	Corner Lot	2	RM608,000 – RM718,000
Total		486	

Phase 4

Development	Type	No. of Units	Selling Price
Single Storey Cluster Homes (35'X70')	Intermediate	239	RM355,000 – RM453,000
	End Lot	2	RM392,000 – RM479,000
	Corner Lot	32	RM374,000 – RM555,000
Total		273	

We have also made reference to the transactions of the similar development component for Phase 2, Phase 3 and Phase 4 within the vicinity.

General summary of the transaction evidences for each development type are ranging as follows:

i) Double Storey Terraced House

Scheme	Transacted Price Range
Taman Desa Tanjung Minyak	RM370,000
Taman Bertam Setia	RM310,000 – RM500,000

Source: Valuation and Property Services Department (JPPH)

ii) Double Storey Semi-Detached House

Scheme	Transacted Price Range
Taman Tanjung Minyak Jaya	RM580,000
Taman Bertam Setia	RM530,000 – RM555,000

Source: Valuation and Property Services Department (JPPH)

iii) Single Storey Cluster Homes

Scheme	Transacted Price Range
Taman Bukit Larang Indah	RM320,000 – RM350,000
Taman Desa Idaman	RM320,000 – RM340,000
Taman Krubong Jaya	RM330,000

Source: Valuation and Property Services Department (JPPH)

Having considered on the above transactions of the existing developments within the vicinity, we are of the view that the GDV pre-fixed by Melaka Land Registry Office for Phase 2, Phase 3 and Phase 4 is deemed fair, reasonable and in line with the market condition.

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)**Summary of Parameters**

Parameter	Phase 1C	Phase 2	Phase 3	Phase 4
Gross Development Value (GDV) ^(Note 1)	RM26,821,581/-	RM140,722,882/-	RM277,946,457/-	RM94,125,960/-
Gross Development Cost (GDC) ^(Note 2)	RM25,066,076/-	RM106,925,524/-	RM218,210,517/-	RM67,652,181/-
Developer's profit	10% of GDV	15% of GDV for normal units and 10% of GDV for affordable homes	15% of GDV	15% of GDV
Development period ^(Note 3)	1 year	3 years	4 years	5 years
Discount Rate	8.0%	8.0%	8.0%	8.0%

Note 1:

The GDV for Phase 2, Phase 3 & Phase 4 is arrived at by reference to the approval letter issued by Melaka Land Registry Office bearing reference number bearing reference no. PTG(M)A/352/1/14/2473 (6) dated 30 November 2015.

Phase 1C

Based on the sales status as at 31 August 2019, the segmentation of the bumi allocation in each phase is tabulated as follows:

Phase	No. of Units	Bumi Units	Non-Bumi Units	Development Progress
Phase 1A	466	193	273	Completed Phase
Phase 1B	135	99	36	Completed Phase
Phase 1C	172	172	0	On-going Phase
Total	773	464	309	-
% Quota	100%	60%	40%	-

From the above tabulation, we noted that client have fulfilled the bumiputera quota requirement for Phase 1 and further acknowledged that the entire Phase 1C development is designated for bumiputera units.

In view that the bumiputera quota has already been attained in the selling prices, therefore we have not allocated the said discount to the unsold balance units as the proposed selling price has already taken into consideration on these criteria.

Our analysis on the average net selling price for the sold units is derived at RM287,435/- per unit.

We further noted that the average net selling price after rebate for the unsold units is at RM3,964,063. This is analysed at an average price of about RM330,339 per unit.

In arriving at the Gross Development Value (GDV) (Selling Prices) of the unsold units, we have not only considered the average net selling price of the sold units but also the transactions of similar double storey terraced houses within the vicinity.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

Transacted prices of similar double storey terraced houses within vicinity are as follows: -

Scheme	Transacted Price Range
Tmn Desa Tanjung Minyak (Seri Bertam)	RM370,000/- per unit
Taman Bertam Setia	RM350,000/- per unit- to RM408,000/- per unit

Source: Valuation and Property Services Department (JPPH)

Based on our survey and above analysis, we noted that the sub-sales transactions in the vicinity are slightly higher than the developer's selling prices.

Our analysis revealed the following:-

Type	Average Price per Unit
Sold Units as at 31 August 2019	RM287,435/-
Unsold Units	RM330,339/-
Market sub-sales transaction	RM350,000/- to RM408,000/-

Having considered the average net selling price of the sold units and transactions of the existing developments within the vicinity, we are of the view that the GDV adopted for the unsold units is deemed fair, reasonable and in line with the market condition

The total GDV is tabulated as follows: -

Type	GDV
Balance to claim as at 31 August 2019	RM22,857,518
Unsold Units	RM3,964,063
Total	RM26,821,581

Note 2:

The GDC for Phase 1C are based on the following material parameters:-

Item	Contract Sum/Amount Adopted	Certified Amount/ Receipt	Balance Amount to be Paid	Remarks
Preliminaries	RM1,965,314	RM1,868,929	RM96,385	Based on the awarded contract sum and Interim Certificate of Payment provided by the client. The awarded contract sum is in accordance with the industry average cost.
Statutory Contributions	RM14,662,711	RM13,901,782	RM760,929	We have adopted the actual amount based on the billing provided as well as the information gathered from the relevant Departments / Agencies. We noted that contributions to MBMB, SAMB, TNB, JKR and land conversion premium has been fully paid for entire development.
Earthworks and Site Clearance	RM9,598,078	RM8,620,914	RM977,164	Based on the awarded contract sum and Interim Certificate of Payment provided by the client. The awarded contract sum is in accordance with the industry average cost.

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

Item	Contract Sum/Amount Adopted	Certified Amount/ Receipt	Balance Amount to be Paid	Remarks
Building Construction Cost & Infrastructure Cost	RM49,105,595	RM31,411,901	RM17,693,694	Based on the awarded contract sum and Interim Certificate of Payment provided by the client. The awarded contract sum is in accordance with the industry average cost.
Finance Cost	8.00%	-	RM224,050	We have adopted a rate of 8.00% on 30% of the balance of the total construction costs to be incurred for half of the development period. The finance cost of 8.00% per annum is based on our enquiries with financial institutions, i.e. Base Lending Rate (BLR) 6.9% per annum plus security margin of 1.00% to 2.50% per annum.
Professional Fees	RM4,121,575	RM3,920,553	RM201,022	The professional fees to be incurred are for the various professionals engaged in the different stages of development and construction. Based on the awarded contract sum, progress payment and certified amount.

The GDC for Phase 2, Phase 3 and Phase 4 are based on the following material parameters:-

Item	Phase 2	Phase 3	Phase 4	Remarks
Preliminaries	RM1,968,977/-	RM3,951,218/-	RM1,176,554/-	The preliminaries works are estimated at approximately 3.0% of the total estimated cost for earthwork and site clearance, building construction cost and infrastructure
Statutory Contributions	RM2,326,085/-	RM4,623,367/-	RM1,490,319/-	Based on estimation for contribution to IWK, Titles and building plan fees. We noted that contributions to MBMB, SAMB, TNB, JKR and land conversion premium has been fully paid for entire development.
Earthworks and Site Clearance	RM1,004,350/-	RM1,757,250/-	RM766,425/-	Estimated at RM25,000 per acre for earthworks and site clearance. The above cost was estimated based on the actual contract awarded under Phase 1 which around RM40,000/- per acre. In view that earthworks and site clearance has been done at an advanced stage over the whole development area inclusive Phase 2, Phase 3 and Phase 4, hence we are of the opinion that the adopted cost at RM25,000 per acre is reasonable.
Building Construction Cost & Infrastructure Cost	RM64,628,200/-	RM12,995,000/-	RM38,452,050/-	Based on the awarded contract sum provided by the client for Phase 1. Further analysis on building cost is adopted for similar property on Phase 2, Phase 3 and Phase 4. Infrastructure cost is estimated at RM25,000 per acre for earthworks and site clearance in view part of the major infra has been completed in Phase 1.

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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Page 27VALUE CONSIDERATION (Cont'd)

Item	Phase 2	Phase 3	Phase 4	Remarks
Finance Cost	RM2,362,772/-	RM6,321,948/-	RM2,353,109/-	<p>We have adopted a rate of 8.00% on 30% of the balance of the total construction costs to be incurred for half of the development period.</p> <p>The finance cost of 8.00% per annum is based on our enquiries with financial institutions, i.e. Base Lending Rate (BLR) 6.9% per annum plus security margin of 1.00% to 2.50% per annum.</p>
Professional Fees	RM4,594,279/-	RM9,219,508/-	RM2,745,293/-	<p>The professional fees to be incurred are for the various professionals engaged in the different stages of development and construction.</p> <p>The rate which is adopted at 7.00% is in line with the industry standard.</p>

Note 3:

This is the time frame required for construction and completion as well as the marketing of the units of development. The development period is essential market derived and is also based on analysis of similar developments.

Based on the Progress Report No. 10 dated 21 August 2019, development progress has been recognised at 73.98% stage.

Further observation from the Sale & Purchase Agreement (SPA) noted that Phase 1C was launched and sold starting mid-2018. Hence, target completion should be in the next 24 months from this date which is estimated to be delivered by mid-2020.

In view of the above, we have adopted a development period of 1 year for Phase 1C considering that the date of valuation is on 31 August 2019 and allocation of another 1 year for development period is in-line with the estimated target date for delivery of vacant possession as per the SPA.

Having the fact that the development progress is already at advanced stage i.e; 73.98% coupled with the fact that the sales status as of date of valuation already achieving 93%, therefore we are of the opinion that development period of 1 year is deemed realistic.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **BASED ON THE BASIS AND PROVISIO AS STATED IN DETAIL UNDER THE TERM OF REFERENCE HEREIN** with permission to transfer, lease, charge, mortgage and free from all encumbrances is at RM90,000,000/- (Ringgit Malaysia: Ninety Million Only).

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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6.0 An ongoing serviced apartment development known as "Residensi Mutiara Bali, Kota Syahbandar" (Bali Residences @ Kota Syahbandar)
(Our Ref : WTW/01/V/001792F/19/SIA)

TERMS OF REFERENCE

The valuation is conducted based on the following BASIS: -

- I. The subject property is an ongoing serviced apartment development known as "Residensi Mutiara Bali, Kota Syahbandar" (Bali Residences @ Kota Syahbandar);
- II. The valuation is based on the amended building plans approved by Majlis Bandaraya Melaka Bersejarah bearing reference no. MBMB/JKB: 03042-10-2017 dated 5 April 2019;
- III. The stage of completion of the building is based on the interim certificate no. 05 issued by Daniel Chow as at 16 August 2019 and summary of completion works (progress report no. 12) as at 26 August 2019;
- IV. We have considered the sale status report dated 31 August 2019; and
- V. A marketable and registrable individual strata title for commercial use will be issued.

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE BASIS WHICH ARE ASSUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE BASES IS INVALID/INCORRECT.

PROPERTY IDENTIFICATION

The property : An ongoing serviced apartment development known as "Residensi Mutiara Bali, Kota Syahbandar" (Bali Residences @ Kota Syahbandar)

Address : Along Jalan KSB 11A, 75200 Melaka

Title No. : PN 56839

Lot No. : Lot 12932, Town Area VI, District of Melaka Tengah, Melaka

Titled Land Area : 1.5072 hectares
(approximately 162,234 square feet / 3.7244 acres)

Tenure : Leasehold 99 years expiring on 18 May 2105
(unexpired term of approximately 86 years)

Registered Owner : ASAL HARTA SDN. BHD.

Category of Land Use : Building

Express Condition : Untuk bangunan perniagaan (hakmilik strata) sahaja

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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PROPERTY IDENTIFICATION (Cont'd)

Restriction in Interest : Tiada
Encumbrances : Charged twice to HONG LEONG BANK BERHAD
Planning Provision : Commercial use

GENERAL DESCRIPTION

The site is regular in shape. It is generally flat in terrain and lies at about the same level as the existing frontage metalled road, Jalan KSB 11A.

At the time of inspection, we noted that the site boundaries were generally demarcated with metal hoarding sheets and it was currently undergoing construction works

Proposed Development

Based on the amended building plans approved by Majlis Bandaraya Melaka Bersejarah bearing reference no. MBMB/JKB: 03042-10-2017 dated 5 April 2019, the subject property has been approved for a development of two (2) blocks of thirty (30)-storey serviced apartment (830 units) atop of a seven (7)-storey podium car park together with facilities.

Based on the sales status report dated 31 August 2019, we noted that 8 units (approximately 44%) out of the total 18 shop lots and 564 units (approximately 68%) out of the total 830 serviced apartment units were sold, respectively.

Based on the Progress Report No. 12 dated 26 August 2019, the stage of construction was at 5.77%.

PLANNING PROVISION

The subject property has been granted with planning approval by Majlis Bandaraya Melaka Bersejarah (MBMB) dated 28 February 2018 for a development of two (2) blocks of thirty (30)-storey serviced apartment (830 units) atop of a seven (7)-storey podium car park together with facilities.

Vide a letter issued by Majlis Bandaraya Melaka Bersejarah (MBMB) dated 5 April 2019, we noted that Majlis Bandaraya Melaka Bersejarah (MBMB) has granted a Building Plan Approval to the subject property.

METHOD OF VALUATION

We have only adopted one valuation approach ie. Income Approach (Residual Method) in arriving at our valuation as the subject property is an ongoing development.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION

Income Approach (Residual Method)

Summary of Parameters

Gross Development Value (GDV)	RM269,739,836/- (Note 1)
Gross Development Cost (GDC)	RM232,493,350/- (Note 2)
Developer's profit	15% of GDV
Development period	3 years (Note 3)
Discount Rate	8.0% per annum

Note 1:

The GDV in our valuation is arrived at by reference to the sold units and selling/ transacted prices of similar property in the neighbourhood of the subject property as follows:-

Transacted prices of similar properties within vicinity are as follows: -

Serviced Apartment	Transacted Price Range (RM psf)
Atlantis Residence	RM435psf to RM624psf
The Wave Residence	RM504psf

Source: Valuation and Property Services Department (JPPH)

In view of the above, we have adopted the selling price of serviced apartment as follows: -

Sale Status	Rate Adopted
Sold Units	Actual selling price
Unsold Units	RM489 per square foot

The total GDV is tabulated as follows: -

No. of Unit	Total Gross Selling Price	Bumi Discount/ Rebate	Net Selling Price	Amount Billed as at 31 August 2019 ¹	Total Credit Note yet to be issued	Balance ²
Sold Unit						
Shop lot – 8 units	RM5,115,500.00	RM409,790.00	RM4,705,710.00	RM2,046,200.00	RM0.00	RM3,069,300.00
SA – 564 units	RM215,348,526.00	RM23,704,599.71	RM191,643,926.29	RM42,900,701.20	RM2,758,694.31	RM169,689,130.49
Unsold Unit						
Shop lot – 10 units	RM7,732,560.00	RM463,953.60	RM7,268,606.40	RM0.00	RM0.00	RM7,268,606.40
SA – 266 units	RM96,613,783.35	RM6,900,984.53	RM89,712,798.83	RM0.00	RM0.00	RM89,712,798.83

Notes: ¹Amount billed is inclusive of rebate

²Balance amounts is derived from Total Gross Selling Price – (Amount billed + Total Credit Note yet to be issued)

"SA" denotes serviced apartment

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

Note 2:

The GDC are based on the following material parameters:-

Item	Contract Sum/Amount Adopted	Certified Amount/ Receipt	Balance Amount to be Paid	Remarks
Preliminaries	RM287,823.29	RM287,823.29	-	Completed.
Statutory Contributions	RM4,887,791.05	RM1,198,292.61	RM3,689,498.44	We have adopted the estimated amount based on the amount provided as well as the information gathered from the relevant authorities.
Earthworks and Site Clearance	-	-	-	Completed
Piling	RM12,522,473.19	RM12,239,003.19	RM283,470.00	The total construction cost of about RM179 million (i.e. piling works and main building works) is analysed at about RM125 per square foot over gross floor area of 1,439,935 sq. ft. The breakdown of the construction cost for main building works is unavailable because the awarded main building works is inclusive of infrastructure works.
Building Construction Cost & Infrastructure Cost	RM166,854,298.10	RM10,790,138.42	RM156,064,159.68	<p>We have made reference to the JUBM & Arcadis Construction Cost Handbook Malaysia 2019. In view that the handbook does not provide construction cost for Melaka state, therefore, CBRE WTW have made reference to the construction cost in Kuala Lumpur: -</p> <ul style="list-style-type: none"> • The building construction cost for elevated car park is ranging from RM85 to RM134 per square foot. • The building construction cost for average standard apartment is ranging from RM135 to RM225 per square foot. <p>We have allocated approximately RM39 million construction cost (gross floor area of 464,365 sq ft x RM85psf) for the elevated carpark podium.</p> <p>The balance of construction cost is about RM140mil which is analysed at RM144per square foot over gross floor area of 975,570 sq ft for the serviced apartment building.</p> <p>We are of the opinion that the disclosed cost is in line with the market rate.</p>
Finance Cost	8.00%	-	RM5,628,514.67	<p>We have adopted a rate of 8.00% on 30% of the balance of the total construction costs to be incurred for half of the development period.</p> <p>The finance cost of 8.00% per annum is based on our enquiries with financial institutions, i.e. Base Lending Rate (BLR) 6.9% per annum plus security margin of 1.00% to 2.50% per annum.</p>
Professional Fees	RM7,844,030.77	RM3,404,321.26	RM4,439,709.51	Based on the awarded contract sum, progress payment and certified amount.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

Note 3:

This is the time frame required for construction and completion as well as the marketing of the units of development. The development period is essential market derived and is also based on analysis of similar developments.

Based on the Progress Report No. 12 dated 26 August 2019, development progress has been recognised at 5.77% stage and the project completion is targeted by end-2021 (about 2 years from date of valuation, 31 August 2019).

The sales status as at date of valuation is about 68%.

Further observation from the Sales & Purchase Agreement noted that the development was launched and sold starting end of 2018. Hence, delivery of vacant possession will be in the next 48 months from this date which is estimated by end-2022 (about 3 years from date of valuation).

In view of the above situation, we have adopted a development period of 3 years which is deemed realistic after taken into consideration the current market condition, target project completion date and the sales status.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **BASED ON THE BASIS AND PROVISIO AS STATED IN DETAIL UNDER THE TERM OF REFERENCE HEREIN** and free from all encumbrances at RM30,000,000/- (Ringgit Malaysia: Thirty Million Only).

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC
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7.0 An Ongoing Phase 2A2 Residential Development known as "Taman Belimbing Setia"
(Our Ref : WTW/01/V/001792H/19/MHA)

TERMS OF REFERENCE

The valuation is conducted based on the following BASIS: -

- I. The subject property is an ongoing guarded development comprises sixty four (64)-units of detached houses
- II. The valuation is based on the approved building plans prepared by CS Loo Architect bearing reference no. MPAG 431/102/540 dated 24 October 2014;
- III. The stage of completion of the building is based on the summary of completion works progress report no. 1 as at 27 August 2019 as provided to us by the client; and
- IV. We have considered the sale status report dated 31 August 2019 as provided to us by the client.

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE BASIS WHICH ARE ASSUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE BASES IS INVALID/INCORRECT.

PROPERTY IDENTIFICATION

The property : An ongoing Phase 2A2 guarded residential development known as "Taman Belimbing Setia" comprises sixty four (64)-units of single storey detached houses

Address : Taman Belimbing Setia (Phase 2A2), 76100 Alor Gajah, Melaka

Title Nos. / Lot Nos. / Mukim / District / State	Title Nos.	Lot Nos.
	HSD 22188 to HSD 22203 (Inclusive)	PT 626 to PT 641 (Inclusive)
	HSD 22216 to HSD 22231 (Inclusive)	PT 654 to PT 669 (Inclusive)
	HSD 22246 to HSD 22259 (Inclusive)	PT 684 to PT 697 (Inclusive)
	HSD 22268 to HSD 22285 (Inclusive)	PT 706 to PT 723 (Inclusive)

All within Mukim of Belimbing, District of Alor Gajah, Melaka

Total Net Land Area : 29,489 square metres
(approximately 317,417 square feet / 7.287 acres)

Tenure : Term in Perpetuity

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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PROPERTY IDENTIFICATION (Cont'd)

Registered Owner : TELADAN SETIA SDN. BHD., except for sold units

Category of Land Use : Building

Express Condition : Untuk rumah kediaman sahaja.

Restriction in Interest : Kod B
Tanah ini tidak dibenarkan di pindahtamilik atau dipajak kecuali dengan kebenaran Pihak Berkuasa Negeri. Sekatan kepentingan ini dikecualikan bagi pindahtamilik atau pajakan yang pertama.

GENERAL DESCRIPTION

The subject property is an ongoing guarded residential development comprises sixty four (64)-units of single storey detached houses identified as PT 626 to PT 641 (inclusive), PT 654 to PT 669 (inclusive), PT 684 to PT 697 (inclusive) and PT 706 to PT 723 (inclusive). It is located within Taman Belimbing Setia (Phase 2A2), 76100 Alor Gajah, Melaka.

Taman Belimbing Setia is a residential development by Teladan Setia Sdn Bhd planned under two (2) phases. The entire development comprises single storey detached houses as well as several low cost cluster houses.

Phase 1 of the development which located to the eastern portion of the scheme has been completed and handed over with vacant possession to the purchaser.

Phase 2 of the development is located to the eastern portion of scheme is a guarded development comprises 3 sub-phase development known as Phase 2A1, 2A2 and 2B. The proposed Phase 2 development comprises of 133 units of single storey detached houses under Phase 2A1 which has been completed, 64 units of single storey detached houses under Phase 2A2 as well as 5 blocks consist of 160 units of low cost cluster houses under Phase 2B.

The subject site is regular in shape and generally flat in terrain and lies at the same level of the existing frontage metalled road, Jalan Belimbing Setia 17. It has a total net land area of 29,489 square metres (approximately 7.287 acres / 317,417 square feet).

At the time of inspection, we noted that the site boundaries were generally demarcated with metal hoarding sheets. The main entrance was secured with a pair of metal door. We also noted that the earthwork has been carried out and is currently undergoing construction works.

The standard land area for an intermediate detached house is 372.00 square metres (50' X 80').

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC
Page 35GENERAL DESCRIPTION (Cont'd)Proposed Development

The proposed building plans for phase 2A2 have been approved by Majlis Perbandaran Alor Gajah (MPAG) bearing reference No. MPAG 431/102/540 bearing Plan No. CS L00/2012/07-251/w1.00 A dated 24 October 2014.

Based on the Sale Status Report dated 31 August 2019, we noted that 50 units (approximately 78%) out of the total 64 units were sold.

Based on the Progress Report No. 01 as at 27 August 2019, the stage of construction was at 3.91% and the estimated completion of the project is on 21 September 2020.

PLANNING PROVISION

The subject properties are designated for residential use as per the Express Condition in the document of title.

The subject property has been granted with planning approval by Majlis Perbandaran Alor Gajah (MBAJ) dated 24 October 2014 for a development of 197 units of residential houses and a TNB substation.

METHOD OF VALUATION

We have only adopted one valuation approach ie. Income Approach (Residual Method) in arriving at our valuation as the subject property is an ongoing development.

VALUE CONSIDERATIONIncome Approach (Residual Method)Summary of Parameters

Gross Development Value (GDV)	RM25,359,386/- (Note 1)
Gross Development Cost (GDC)	RM16,091,825/- (Note 2)
Developer's profit	15% of GDV
Development period	2 years (Note 3)
Discount Rate	8.0% per annum

Note 1:

The GDV in our valuation is arrived at by reference to the selling price of the sold units, selling price as stated in the PTG letter and transaction of nearby property summarised as follows:-

a) Sold Units

No. of Unit Sold	Selling Price	Rebate	Net Selling Price	Progressive Claim ¹	Outstanding Credit Note	Balance to claim ²
50 units	RM21,208,580.00	RM469,580.00	RM20,739,000.00	RM2,120,858.00	RM20,480.00	RM19,067,242.00

Note:

¹Progressive claim is inclusive of rebate²Balance is derived from Gross Selling Price less the Progressive Claim and Outstanding Credit Note

15. VALUATION CERTIFICATES (Cont'd)



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VALUE CONSIDERATION (Cont'd)

b) Unsold Units

Type	Developer's Selling Prices	PTG Selling Prices	*Proposed Net Selling Prices
Intermediate	RM398,800/- to RM539,600/-	RM403,000/- to RM503,000/-	RM398,800/- to RM501,828/-
Corner Lot	RM469,500/- to RM562,000/-	RM428,000/- to RM562,000/-	RM427,245/- to RM556,380/-

*Proposed selling price by CBRE | WTW

Transacted price of single storey detached houses within vicinity are as follows: -

Scheme	Price per Unit
Taman Belimbing Setia	RM400,000/- to RM450,000/-

Source: Valuation and Property Services Department (JPPH)

Note 2:

The GDC are based on the following material parameters:-

Item	Contract Sum/Amount Adopted	Certified Amount/ Receipt	Balance Amount to be Paid	Remarks
Preliminaries	RM45,412.32	RM3,286.00	RM41,856.32	Based on the awarded contract sum and Interim Certificate of Payment provided by the client. The awarded contract sum is in accordance with the industry average cost.
Statutory Contributions -MBMB -SAMB -TNB -IWK -Building Plan Fees -Title and Survey Fees	RM461,101.80	RM71,902.45	RM389,199.35	We have adopted the estimated amount based on the quotation provided as well as the information gathered from the relevant Departments / Agencies.
Earthworks and Site Clearance	RM406,087.94	RM406,087.94	-	Completed
Total Building Construction Cost	RM9,576,354.00	-	RM9,576,354.00	The average cost adopted for Taman Belimbing Setia is analysed at about RM98 per square foot.
Infrastructure Cost	RM926,300.26	RM128,284.26	RM798,016.00	We have made reference to the JUBM & Arcadis Construction Cost Handbook Malaysia 2019. In view that the handbook does not provide construction cost for Melaka state, therefore, we have made reference to the construction cost of detached houses in Kuala Lumpur. The building construction cost for good quality detached houses in Kuala Lumpur is at a range of RM224 to RM306 per square foot. The cost of RM98 per square foot is adopted because the subject property is the later phase of Taman Belimbing Setia, ie. Phase 2A, therefore, most of the major infrastructures are ready. Besides that, we have made further discount on location factor ie. Melaka compare to Kuala Lumpur. We are of the opinion that the disclosed cost is in line with the market rate.

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)Gross Development Cost (GDC) (Cont'd)

Item	Contract Sum/Amount Adopted	Certified Amount/ Receipt	Balance Amount to be Paid	Remarks
Finance Cost	8.00%	-	RM248,984.88	We have adopted a rate of 8.00% on 30% of the balance of the total construction costs to be incurred for half of the development period. The finance cost of 8.00% per annum is based on our enquiries with financial institutions, i.e. Base Lending Rate (BLR) 6.9% per annum plus security margin of 1.00% to 2.50% per annum.
Administration & Project Management	3.00%	-	RM311,231.10	We have adopted a rate of 3.00% of the balance of the total construction costs of the proposed development as the administration and project management fees. The cost is in line with the industry practice.
Legal Fees, Agency Fees & Marketing	3.00%	-	RM195,648.00	We have adopted a rate of 3.00% of the above Gross Development Value (GDV) as the marketing agency, administrative and legal fees. The cost is in line with the industry practice.
Professional Fees	RM295,316.00	RM153,827.20	RM141,488.80	The professional fees to be incurred are for the various professionals engaged in the different stages of development and construction. Based on the awarded contract sum, progress payment and certified amount.
Contingencies	5.00%	-	RM585,138.92	'Contingencies' allowance is to cover the costs of unexpected items, such as escalation in development costs as a result of change of design, increase in cost of materials, weather disruption, variation orders, etc. A rate of 5.00% for the balance of total construction and development costs has been allowed in our valuation.

Note 3:

This is the time frame required for construction and completion as well as the marketing of the units of development. The development period is essential market derived and is also based on analysis of similar developments.

Based on the Progress Report No. 01 dated 27 August 2019, development progress has been recognised at 3.91% stage and the project completion is targeted by Q3 2020 (about 1 year from date of valuation, 31 August 2019).

The sales status as at date of valuation is about 78%.

Further observation from the Sales & Purchase Agreement noted that the development was launched and sold starting 2Q of 2019. Hence, delivery of vacant possession will be in the next 24 months from this date which is estimated by 2Q of 2021 (about 2 years from date of valuation).

In view of the above situation, we have adopted a development period of 2 years which is deemed realistic after taken into consideration the current market condition, target project completion date and the sales status.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **BASED ON THE BASIS AND PROVISIO AS STATED IN DETAIL UNDER THE TERM OF REFERENCE HEREIN** with permission to transfer, lease and free from all encumbrances at RM8,000,000/- (Ringgit Malaysia: Eight Million Only).

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC
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**8.0 An Ongoing Affordable Homes Development located within "Taman Bertam Setia"
(Our Ref : WTW/01/V/001792I/19/MHA)**

TERMS OF REFERENCE

The valuation is conducted based on the following BASIS: -

- I. The subject property is an ongoing affordable homes development comprises seventy seven (77)-units of 1½-storey terraced affordable houses within Taman Bertam Setia;
- II. The valuation is based on the approved building plans prepared by CS Loo Architect and approved by Majlis Bandaraya Melaka Bersejarah bearing reference no. MBMB/JKB.03031/10/2018 dated 2 January 2019;
- III. The stage of completion of the building is based on the progress payment certificate no. 2 issued by C S Loo Architect as at 1 August 2019 and summary of completion works (progress report no. 5) as at report period 6 August 2019 to 3 September 2019; and
- IV. We have considered the sale status report dated 31 August 2019 as provided to us by the client.

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE BASIS WHICH ARE ASSUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE BASES IS INVALID/INCORRECT.

PROPERTY IDENTIFICATION

The property : An ongoing affordable homes development located within "Taman Bertam Setia" comprises seventy seven (77)-units of 1½-storey terraced house

Address : Sandwiched between Jalan BS 2 and Jalan BS 3, Taman Bertam Setia, Lebu SPA, 76450 Melaka

Title No. :

Title Nos.	Lot Nos.
Geran Mukim 1255 to Geran Mukim 1285	9931 to 9961
Geran Mukim 1298 to Geran Mukim 1308	9974 to 9984
Geran Mukim 1321 to Geran Mukim 1355	9997 to 10031

All within Mukim of Tanjong Minyak, District of Melaka Tengah, Melaka

Total net land area : 9,267 square metres (approximately 99,749 square feet / 2.29 acres)

Tenure : Term in perpetuity (Freehold)

Category of Land Use : Building

Express Condition : Untuk rumah kediaman sahaja

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC
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PROPERTY IDENTIFICATION (Cont'd)

- Restriction in Interest : Lot 9931 to Lot 9961 and Lot 10013 to Lot 10031
Kod A
Tanah ini tidak boleh dipindahmilik atau dipajak kecuali dengan kebenaran Pihak Berkuasa Negeri. Sekatan kepentingan ini dikecualikan kepada orang Melayu.
- Lot 9974 to Lot 9984 and Lot 9997 to Lot 10012
Kod B
Tanah ini tidak dibenarkan di pindahmilik atau dipajak kecuali dengan kebenaran Pihak Berkuasa Negeri. Sekatan kepentingan ini dikecualikan bagi pindahmilik atau pajakan yang pertama.
- Registered Owner & Encumbrances : COMPACT SUNRISE SDN. BHD.¹ except for the sold units

Note: ¹Vide a Joint Venture Agreement dated 10 May 2006, the Landowner, COMPACT SUNRISE SDN BHD has agreed to enter into a Joint Venture Agreement with TELADAN SETIA SDN BHD, (hereinafter referred to as "the Developer") to develop Lot Nos. 1198 to 1202 (inclusive) Mukim of Tanjung Minyak, District of Melaka Tengah, Melaka into a housing estate.

GENERAL DESCRIPTION

The subject property is an ongoing affordable housing development comprises seventy seven (77)-units of 1½-storey terraced houses – "Rumah Mampu Milik" located within Taman Bertam Setia, sandwiched between Jalan BS 2 and Jalan BS 3, Taman Bertam Setia, Lebuhr SPA, 76450 Melaka.

The combined site is regular in shape, generally flat in terrain and lies at the same level as the frontage metalled road and has a total net land area of 9,267 square metres (approximately 99,749 square feet / 2.29 acres).

At the time of inspection, we noted that the site boundaries were generally demarcated with metal hoarding sheets whilst some portions were not demarcated with any form of fencing. We also noted that the site was currently undergoing construction works.

Proposed Development

Based on the Planning Approval issued by Majlis Bandaraya Melaka Bersejarah (MBMB) bearing reference no. MBMB/JP. 3115(55) and the amended layout plan bearing reference no. A-1548(P) dated 19 July 2018, the subject property has been approved for the conversion from 77 units low cost terraced lot to 77 units affordable terraced lot.

Based on the sales status report dated 31 August 2019, we noted that 77 units (approximately 84%) out of the total 77 units were sold.

Based on the Progress Report No. 5 for report period 6 August 2019 to 3 September 2019, the stage of construction was at 15.25%.

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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PLANNING PROVISION

The subject property is designated for residential use as per the Express Condition stated in the document of title.

Vide a letter issued by Majlis Bandaraya Melaka Bersejarah (MBMB) bearing reference no. MBMB/JP. 03115(55) and the layout plan bearing reference no. A-1548(P) dated 19 July 2018, we noted that Majlis Bandaraya Melaka Bersejarah has granted Planning Approval (Kebenaran Merancang) to the master development for a proposed development of 323 units of residential houses (including seventy seven (77)-units of 1½-storey terraced house) and 7 units of shopoffices.

Vide a letter issued by Majlis Bandaraya Melaka Bersejarah (MBMB) bearing reference no. MBMB/JKB.03031/10/2018 (7) dated 2 January 2019, we noted that Majlis Bandaraya Melaka Bersejarah has granted Building Plan Approval to the subject property bearing plan reference no. CS LOO/2018/02-380/W1.00 to W5.00 (inclusive).

METHOD OF VALUATION

We have only adopted one valuation approach ie. Income Approach (Residual Method) in arriving at our valuation as the subject property is an ongoing development.

VALUE CONSIDERATION**Income Approach (Residual Method)****Summary of Parameters**

Gross Development Value (GDV)	RM12,408,967/- (Note 1)
Gross Development Cost (GDC)	RM9,549,776/- (Note 2)
Developer's profit	10% of GDV
Development period	2 years (Note 3)
Discount Rate	8.0% per annum

Note 1:

The GDV in our valuation is arrived at by reference to the net selling price of the sold units, selling price as stated in the PTG letter and developer's selling price summarised as follows:-

Type	Average Price per Unit	
Sold Units as at 31 August 2019 (Based on actual selling price)	RM188,600/-	
Unsold Units – PTG Letter	Intermediate unit	RM180,000/- & RM189,000/-
	End Lot	RM202,000/-
Unsold Units – Developer's Selling Price	RM182,583.33/-	

Sold Units

No. of Unit Sold	Total Gross Selling Price	Rebate ¹	Net Selling Price	Amount Billed as at 31 August 2019 ²	Total Credit Note Yet to be issued	Balance ³
65	RM12,271,000.00	RM12,000.00	RM12,259,000.00	RM2,048,950.00	RM4,083.42	RM10,217,966.58

Note: ¹Staff rebate²Amount billed is inclusive of rebate³Balance amounts is derived from Total Gross Selling Price – (Amount billed + Total Credit Note yet to be issued)

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

In view of the above, we have adopted the selling price as follows: -

Sale Status	Rate Adopted	
Sold Units	Actual selling price	
Unsold Units	Intermediate unit	RM180,000/- & RM189,000/-
	End Lot	RM202,000/-

Note 2:

The GDC are based on the following material parameters:-

Item	Contract Sum/Amount Adopted	Certified Amount/ Receipt	Balance Amount to be Paid	Remarks
Preliminaries	RM168,705.00	RM112,557.81	RM56,147.19	Based on the awarded contract sum and Certificate of Payment. provided by the client. The awarded contract sum is in accordance with the industry average cost.
Statutory Contributions	RM1,901,170.00	RM1,704,292.63	RM196,877.37	We have adopted the estimated amount based on the amount provided as well as the information gathered from the relevant authorities.
Earthworks, Site Clearance	RM126,457.51	RM126,457.51	-	Completed
Piling & Building Construction Cost	RM6,872,375.45	RM476,492.15	RM6,395,883.30	The average cost adopted for Taman Bertam Setia is analysed at about RM84 per square foot.
Infrastructure Cost	RM803,210.48	RM437,904.68	RM365,305.80	We have made reference to the JUBM & Arcadis Construction Cost Handbook Malaysia 2019. In view that the handbook does not provide construction cost for Melaka state, therefore, we have made reference to the construction cost in Kuala Lumpur. The building construction cost for terraced houses in Kuala Lumpur is at a range of RM85 to RM134 per square foot. The cost of RM84 per square foot is adopted because the subject property is affordable terraced houses in Melaka. Besides that, we have made further discount on location factor ie. Melaka compare to Kuala Lumpur. We are of the opinion that the disclosed cost is in line with the market rate.
Finance Cost	8.00%	-	RM162,268.54	We have adopted a rate of 8.00% on 30% of the balance of the total construction costs to be incurred for half of the development period. The finance cost of 8.00% per annum is based on our enquiries with financial institutions, i.e. Base Lending Rate (BLR) 6.9% per annum plus security margin of 1.00% to 2.50% per annum.
Professional Fees	RM204,288.00	RM42,656.10	RM161,631.90	Based on the awarded contract sum, progress payment and certified amount.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

Note 3:

This is the time frame required for construction and completion as well as the marketing of the units of development. The development period is essential market derived and is also based on analysis of similar developments.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **BASED ON THE BASIS AND PROVISIO AS STATED IN DETAIL UNDER THE TERM OF REFERENCE HEREIN** and free from all encumbrances at **RM2,500,000/-** (Ringgit Malaysia: Two Million And Five Hundred Thousand Only).

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC
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9.0 Properties within Taman Saujana Heights, Bukit Katil, Melaka
(Our Ref : WTW/06/V/002778/19/MTT)

TERMS OF REFERENCE

The valuation is carried out based on the following BASIS/ASSUMPTIONS :-

- i) THE LOT NOS. 7146, 7151, 7166, 7169, 7170, 7171, 7172, 7084 AND 31039 (FORMERLY PT 22990) HAVE BEEN GRANTED WITH BUMI-RELEASE AND ALL LEVY CONTRIBUTION HAS BEEN PAID AS PER THE LETTER ISSUED BY PEJABAT TANAH DAN GALIAN, MELAKA VIDE REFERENCE NO. PTG(M)A/352/1/7/166 JLD. 2 (10) DATED 21 OCTOBER 2019.
- ii) WE HAVE INSPECTED ONLY SELECTED UNITS AND THE VALUATION FOR THE REMAINING UNITS IS BASED ON "EXTERNAL VIEWING" AND ASSUMING THE CONDITIONS AND SPECIFICATIONS ARE SAME AS LOT NO. PT 24384-TYPE A, 7146-TYPE A1, 7108-TYPE A2, 7169-TYPE B, 7109-TYPE B1, 7171-TYPE B2 AND 7084-SEMI-DETACHED UNIT.

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE ASSUMPTIONS WHICH ARE PRESUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE ASSUMPTIONS IS INVALID / INCORRECT.

"IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ADDITIONAL ASSUMPTIONS AS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON AN ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED."

(This paragraph is required in accordance with Standard 9 of the Malaysian Valuation Standards.)

PROPERTY IDENTIFICATION

The property : Thirteen (13) units of double storey detached house and two (2) units of double storey semi-detached house

Location : All within Taman Saujana Heights, Bukit Katil, 75450 Melaka

Title Nos., Lot Nos., Address and Land Area : a) Double storey detached house

Address	Title Nos.	Lot Nos.	Land Area (square metres)
No. 28, Jalan Saujana 4/3	GRN 42734	7096	570
No. 2, Jalan Saujana 4/6	GRN 45785	7108	666
No. 24, Jalan Saujana 4/3	GRN 45431	7109	514
No. 15, Jalan Saujana 4/1	HSD 81070 (Formerly GRN 42697)	PT 24384 (Formerly Lot No. 7118)	623
No. 5, Jalan Saujana 4/3A	GRN 45369	7146	581
No. 15, Jalan Saujana 4/3	GRN 45374	7150 #	557
No. 13, Jalan Saujana 4/3	GRN 45375	7151	557
No. 8, Jalan Saujana 4/4	GRN 35648	7159	615
No. 6, Jalan Saujana 4/5	GRN 35655	7166	557
No. 22, Jalan Saujana 4/6	GRN 35667	7169	617
No. 24, Jalan Saujana 4/6	GRN 35672	7170	652
No. 25, Jalan Saujana 4/1	GRN 35670	7171	589
No. 23, Jalan Saujana 4/1	GRN 35665	7172	695

Note: # denotes Bumi Unit

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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PROPERTY IDENTIFICATION (Cont'd)

Title Nos., Lot Nos., Address and Land Area : b) Double storey semi-detached house

Address	Title Nos.	Lot Nos.	Land Area (square metres)
No. 23, Jalan Saujana 4/2	GRN 42001	7084	376
No. 29, Jalan Saujana 4/2	GRN 58351 (Formerly HSD 79277)	31039 (Formerly PT 22990)	420

All within Mukim of Bukit Katil, District of Melaka Tengah, Melaka

Tenure : Term in perpetuity

Registered Owner : TELADAN SETIA SDN BHD

Category of Land Use : Building

Encumbrances : Lot Nos. 7096, 7108 and 7159
Charged to Public Bank Berhad
Lot Nos. 7109 and 7150
Charged to RHB Bank Berhad
Lot Nos. PT 24384 (Formerly Lot No. 7118), 7146, 7151, 7166, 7169 to 7172 (inclusive), 7084 and 31039 (Formerly PT 22990)
Nil

Planning Provision : Residential use

GENERAL DESCRIPTION

The brief information of the subject property is summarised as follows:-

Lot Nos.	Land Area (square metres)	Gross Floor Area (square metres)	Shape	Remarks
a) Thirteen (13) units double storey detached house				
7096	570	436.29	Regular	Intermediate
7108	666	544.79	Regular	Corner
7109	514	353.84	Regular	Intermediate
PT 24384 (Formerly Lot No. 7118)	623	564.75	Regular	Intermediate
7146	581	436.29	Almost Regular	Cul-de-sac
7150	557	482.92	Rectangular	Intermediate
7151	557	482.92	Rectangular	Intermediate
7159	615	436.29	Regular	Corner
7166	557	482.92	Rectangular	Intermediate
7169	617	482.92	Rectangular	Intermediate
7170	652	353.84	Regular	Cul-de-sac
7171	589	482.92	Irregular	Cul-de-sac
7172	695	482.92	Trapezoidal	Intermediate
b) Two (2) units double storey semi-detached house				
7084	376	325.20	Rectangular	Intermediate
31039 (Formerly PT 22990)	420	325.20	Rectangular	End

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC
Page 46GENERAL DESCRIPTION (Cont'd)

The land is generally flat in terrain and lies at same level / slightly above the existing frontage metalled roads.

The boundaries of subject property are demarcated by dwarf plastered brickwalls fencing. The main entrance is installed with a pair of sliding/folding metal gates.

The subject property has been issued with a Certificate of Completion and Compliance (CCC) dated 8 December 2014 and it is about 5 years old.

METHOD OF VALUATION

The subject property is valued using the Indirect Comparison Approach as other approach is deemed not appropriate.

VALUE CONSIDERATIONIndirect Comparison Approacha) Double storey detached houses

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Scheme	Taman Saujana Heights		
Title No.	GRN 45383	HSD 24413	GRN 45365
Lot No.	7143	PT 3839 (New Lot No. 7135)	7097
Mukim/District/ State	Bukit Katil /Melaka Tengah/ Melaka		
Address	No. 2, Jalan Saujana 4/3A	No. 2A, Jalan Saujana 4/2	No. 26, Jalan Saujana 4/3
Type	Double storey detached house		
Land Area	763.00 sm (8,213 sf)	707.00 sm (7,610 sf)	942.00 sm (10,140 sf)
Tenure	Term in perpetuity		
Date	14/09/2018	12/02/2018	19/06/2017
Vendor	CHIA CHE MIANG +1	GAN CHWEN TECK +1	LAW KWOK CHOY +1
Purchaser	YEW TAT ENG +1	YIP CHEE WAI +1	LYE CHIN HONG +1
Consideration	RM1,700,000/-	RM1,550,000/-	RM1,800,000/-
Analysis Land Value (RM psf)	RM112.00 psf	RM109.00 psf	RM106.00 psf
Adjustments	Adjustment is made on quantum*		
Adjusted Land Value (RM psf)	RM107.00 psf	RM103.00 psf	RM101.00 psf

Note: "psf" denotes per square foot

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC
Page 47**VALUE CONSIDERATION (Cont'd)**

* We have adopted building value for mass development for both the transactions and subject property; therefore, it will not be affected by the quantum factor. However, the land value will be affected by quantum factor where the more the number of units, the lower value expected by the market.

From the above analysis, the adjusted land values range from RM101 per square foot to RM107 per square foot. We have adopted Comparable 1 as the best comparable because it is the latest transaction. Hence, we have adopted a value of RM105 per square foot for the land in our valuation.

We have adopted RM200 per square foot for the building value and a depreciation rate of 10%.

The market value for non-bumi units range from RM1,170,000/- to RM1,620,000/-.

In arriving for the market value of Lot No. 7150 which is designated as bumi unit, we have adopted a discount of 15 % as per Melaka State Government Policy (for selling price above RM200,000/-). Therefore, the market value after bumi discount derived at RM1,200,000/-.

Hence, the total market value of the subject property derived from Indirect Comparison Approach is RM18,020,000/-.

b) Double storey semi-detached houses

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Scheme	Taman Suria	Taman Merak Mas	Taman Ozana Impian
Title No.	GM 396	GM 372	PN 37992
Lot No.	14081	15280	10558
Mukim/ District/ State	Bukit Katil/ Melaka Tengah/ Melaka		
Address	No. 5, Jalan S3	No. 37, Jalan Merak Mas 16	No. 27, Jalan OZ 18
Type	Double storey semi-detached house		
Land Area	468.00 sm (5,038 sf)	398.00 sm (4,284 sf)	282.00 sm (3,035 sf)
Tenure	Term in perpetuity	Term in perpetuity	Leasehold 99 years expiring on 25 December 2094
Date	23/04/2018	7/03/2016	29/09/2018
Vendor	UNITED ASIA PACIFIC GROUP SDN. BHD.	TAN CHAI LAI	LEE MAY SIANG & LEE BENG CHEE
Purchaser	ANG CHENG HAI +1	WEE WEE FOO +1	NG MAY JANE & TAN KONG HWEE
Consideration	RM850,000/-	RM700,000/-	RM630,000/-
Analysis Land Value (RM psf)	RM115.00 psf	RM106.00 psf	RM130.00 psf
Adjustments	Adjustments are made on tenure and others-gated & guarded		
Adjusted Land Value (RM psf)	RM115.00 psf	RM111.00 psf	RM149.00 psf

Note: "psf" denotes per square foot

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC
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VALUE CONSIDERATION (Cont'd)

From the above analysis, the adjusted land values range from RM111 per square foot to RM149 per square foot. We have adopted Comparable 1 as the best comparable due to it has similar characteristics i.e. tenure and gated and guarded as well as located nearest to the subject scheme. Hence, we have adopted a value of RM115 per square foot for the land in our valuation.

We have adopted RM150 per square foot for the building value and a depreciation rate of 10%.

The market value of double storey semi-detached house are RM910,000/- and RM940,000/-.

Hence, the total market value of the subject property derived from Comparison Approach is RM1,850,000/-.

VALUATION

Taking into consideration the above factors, we therefore assess the total market value of the subject property **BASED ON THE ASSUMPTIONS AND PROVISIO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to transfer, rent, lease and free from all encumbrances at RM19,870,000/- (Ringgit Malaysia : Nineteen Million Eight Hundred And Seventy Thousand Only)

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC

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**10.0 Properties within Pangsapuri Atlantis Kota Syahbandar, Jalan KSB 11A, Melaka
(Our Ref : WTW/06/V/002778(A)/19/ARA)**

TERMS OF REFERENCE

The valuation is carried out based on the following BASIS/ASSUMPTIONS :-

WE HAVE INSPECTED ONLY SELECTED UNITS AND THE VALUATION FOR THE REMAINING UNITS IS BASED ON "EXTERNAL VIEWING" AND ASSUMING THE CONDITIONS AND SPECIFICATIONS ARE SAME AS UNIT NOS AS FOLLOWS:-

No.	Building No./Storey No./ Parcel No.	Unit No.	Type	Parcel Area (sq.metres)
Tower A				
1	M1-Menara A/39 & 40/338	A-39&40-06	E	256
2	M1-Menara A/39 & 40/340	A-39&40-08	F	196
3	M1-Menara A/39 & 40/336	A-39&40-04	G	236
Tower B				
4	M1-Menara B/39 & 40/680	B-39&40-08	E	256
5	M1-Menara B/39 & 40/678	A-39&40-06	F	196
Tower C				
6	M1-Menara C/15/768	C-15-04	C	118
7	M1-Menara C/36/986	C-36-04	C	118
8	M1-Menara C/37/998	C-37-06	A	64
9	M1-Menara C/39 & 40/1017	C-39&40-05	E	256
10	M1-Menara C/39 & 40/1020	C-39&40-08	F	196
Tower D				
11	M1-Menara D/34/1303	D-34-01	A	64
12	M1-Menara D/39 & 40/1353	D-39&40-01	E	256
13	M1-Menara D/39 & 40/1355	D-39&40-03	G	236
14	M1-Menara D/39 & 40/1357	D-39&40-05	F	196

THE SUBJECT PROPERTY WILL BE ISSUED WITH AN INDIVIDUAL STRATA TITLE AS PER THE PROPOSED STRATA PLAN APPROVED ON 23 SEPTEMBER 2019.

THE STRATA TITLE WHEN ISSUED FOR THE SUBJECT PROPERTY IS GOOD, MARKETABLE AND REGISTRABLE.

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE ASSUMPTIONS WHICH ARE PRESUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE ASSUMPTIONS IS INVALID / INCORRECT.

"IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ADDITIONAL ASSUMPTIONS AS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON AN ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED."

(This paragraph is required in accordance with Standard 9 of the Malaysian Valuation Standards.)

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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PROPERTY IDENTIFICATION

The property : Thirty seven (37) units of serviced apartment

Location : Pangsapuri Atlantis Kota Syahbandar, Jalan KSB 11A, 75200 Melaka

Building No./
Storey No./
Parcel No./
Accessory Parcel
No./Floor Area
based on
proposed strata
plan : Please refer to "General Description" section

Master Title No. : PN 63344

Parent Lot No. : Lot 2307, Town Area XLIV (formerly Town Area VI), District of Melaka Tengah, Melaka

Tenure : Leasehold 99 years expiring on 18 May 2105
(Unexpired term of approximately 85 years)

Registered Owner : ASAL HARTA SDN. BHD.
of Parent Lot

Category of Land : Building
Use

Encumbrances : Nil

Planning : Commercial use (serviced apartment)
Provision

GENERAL DESCRIPTION

The subject building is a 40-storey serviced apartment atop a five (5)-storey carpark podium. It comprises lobby, visitor lounge, management office, multi-purpose room, M&E service rooms, landscape area and carpark located at the ground floor whilst another one (1) level of facilities is located at level 7.

Sky bridge 1 & 2, sky garden, sky garden, sky terrace and toilet are located at level 24. A total of 1,360 units of serviced apartment are located from level 8 to level 23 and level 25 to level 40 together with a green roof (sky garden) erected on top floor (roof level) of the subject building.

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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GENERAL DESCRIPTION (Cont'd)Subject Unit

Vide the Proposed Strata Plan dated 23 September 2019, the details of subject property are summarised as follows:-

No.	Unit No.	Building No./Storey No./Parcel No.	Accessory Parcel No.		Parcel Area (sq.metres)
Tower A					
1	A-39 & 40-02	M1 - Menara A/39 & 40/334	A486 & A487	A502 & A503	256
2	A-39 & 40-06	M1 - Menara A/39 & 40/338	A494 & A495	A510 & A511	256
3	A-39 & 40-07	M1 - Menara A /39 & 40/339	A496 & A497	A512 & A513	256
4	A-39 & 40-08	M1 - Menara A/39 & 40/340	A498 & A499	A514 & A515	196
5	A-39 & 40-03	M1 - Menara A/39 & 40/335	A488 & A489	A504 & A505	236
6	A-39 & 40-04	M1 - Menara A/39 & 40/336	A490 & A491	A506 & A507	236
Tower B					
1	B-39 & 40-08	M1 - Menara B/39 & 40/680	A1011 & A1012	A1027 & A1028	256
2	B-39 & 40-07	M1 - Menara B/39 & 40/679	A1009 & A1010	A1025 & A1026	256
3	B-39 & 40-06	M1 - Menara B/39 & 40/678	A1007 & A1008	A1023 & A1024	196
Tower C					
1	C-15-04	M1 - Menara C/15/768	A1145	A1146	118
2	C-34-05	M1 - Menara C/34/967	A1438		64
3	C-35-05	M1 - Menara C/35/977	A1454		64
4	C-36-03	M1 - Menara C/36/985	A1466	A1467	118
5	C-36-04	M1 - Menara C/36/986	A1468	A1469	118
6	C-36-05	M1 - Menara C/36/987	A1470		64
7	C-36-08	M1 - Menara C/36/990	A1473		64
8	C-37-06	M1 - Menara C/37/998	A1487		64
9	C-39 & 40-05	M1 - Menara C/39 & 40/1017	A1518 & A1519	A1534 & A1535	256
10	C-39 & 40-06	M1 - Menara C/39 & 40/1018	A1520 & A1521	A1536 & A1537	256
11	C-39 & 40-07	M1 - Menara C/39 & 40/1019	A1522 & A1523	A1538 & A1539	256
12	C-39 & 40-08	M1 - Menara C/39 & 40/1020	A1524 & A1525	A1540 & A1541	196

15. VALUATION CERTIFICATES (Cont'd)

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GENERAL DESCRIPTION (Cont'd)

No.	Unit No.	Building No./Storey No./Parcel No.	Accessory Parcel No.	Parcel Area (sq.metres)
Tower D				
1	D-23-01	M1 - Menara D/23/1201	A1782	64
2	D-32-02	M1 - Menara D/32/1284	A1911	64
3	D-33-01	M1 - Menara D/33/1293	A1926	64
4	D-34-01	M1 - Menara D/34/1303	A1942	64
5	D-34-02	M1 - Menara D/34/1304	A1943	64
6	D-35-04	M1 - Menara D/35/1316	A1962	A1963 118
7	D-36-01	M1 - Menara D/36/1323	A1974	64
8	D-37-01	M1 - Menara D/37/1333	A1990	64
9	D-39 & 40-01	M1 - Menara D/39 & 40/1353	A2022 & A2023	A2038 & A2039 256
10	D-39 & 40-02	M1 - Menara D/39 & 40/1354	A2024 & A2025	A2040 & A2041 236
11	D-39 & 40-03	M1 - Menara D/39 & 40/1355	A2026 & A2027	A2042 & A2043 236
12	D-39 & 40-04	M1 - Menara D/39 & 40/1356	A2028 & A2029	A2044 & A2045 256
13	A-39 & 40-02	M1 - Menara D/39 & 40/1357	A2030 & A2031	A2046 & A2047 196
14	A-39 & 40-06	M1 - Menara D/39 & 40/1358	A2032 & A2033	A2048 & A2049 196
15	A-39 & 40-07	M1 - Menara D/39 & 40/1359	A2034 & A2035	A2050 & A2051 256
16	A-39 & 40-04	M1 - Menara D/39 & 40/1360	A2036 & A2037	A2052 & A2053 256

METHOD OF VALUATION

The market value of the subject property is arrived principally by the Comparison Approach. We have also carried out a check valuation using the Income Approach (Investment Method).

VALUE CONSIDERATIONa. Comparison Approach

Transactions of similar serviced apartment within Pangsapuri Atlantis Kota Syahbandar with a floor area of 689 square feet are as follows :-

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Scheme	Pangsapuri Atlantis Kota Syahbandar		
Developer's Parcel No.	No. Strata 2307(M1/30/974)	No. Strata 2307(M1/16/398)	No. Strata 2307(M1/21/665)
Parent Lot No.	Lot 2307		
Town Area/ District/ State	Town Area VI/ Melaka Tengah/ Melaka		
Address	Unit No. A-30-06, Jalan KSB 11A	Unit No. B-16-02, Jalan KSB 11A	Unit No. A-08-06, Jalan KSB 11A
Type	Serviced apartment		

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

a. Comparison Approach (Cont'd)

Details	Comparable 1	Comparable 2	Comparable 3
Floor Area	64 square metres (689 square feet)	64 square metres (689 square feet)	64 square metres (689 square feet)
Tenure	Leasehold 99 years expiring on 18 May 2105		
Date	27/05/2019	02/05/2019	01/04/2019
Vendor	MOHAMMED SALLEH BIN MOHAMMED	LING LEONG HING	MOHAMAD HIRMAN BIN SABAN
Purchaser	TAN KANG + 1	LIM SU YEE	MOHD RIZAL BIN ROKMAN
Consideration	RM330,000/-	RM330,000/-	RM300,000
Analysis (RM psf)	RM479 psf	RM479 psf	RM435 psf
Adjustments	Adjustments are made on location, floor level, position and quantum allowance		
Adjusted Value (RM psf)	RM460 psf	RM479 psf	RM453 psf

Note: "psf" denotes per square foot

From the above analysis, the adjusted values ranging from RM453 per square foot to RM479 per square foot. Having regard to the foregoing, we have adopted Comparable 1 as the best comparable due to its latest transaction. The value adopted is RM460 per square foot.

For units with floor area of 689 square feet, the base value adopted is at RM460 per square foot. Further adjustments are made on the location, floor level, tenure, position, and quantum allowance for remaining units with similar floor area.

Transactions of serviced apartment within Pangsapuri Atlantis Kota Syahbandar with a floor area of 1,055 square feet are as follows:-

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Scheme	Pangsapuri Atlantis Kota Syahbandar		
Developer's Parcel No.	No. Strata 2307(M1/13/260)	No. Strata 2307(M1/34/1138)	No. Strata 2307(M1/21/625)
Parent Lot No.	Lot 2307		
Town Area/ District/ State	Town Area VI/ Melaka Tengah/ Melaka		
Address	Unit No. B-13-08, Jalan KSB 11A	Unit No. A-34-10, Jalan KPKS 11A	Unit No. A-21-01, Jalan KSB 11A
Type	Serviced apartment		

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

a. Comparison Approach (Cont'd)

Details	Comparable 1	Comparable 2	Comparable 3
Floor Area	98 square metres (1,055 square feet)	98 square metres (1,055 square feet)	98 square metres (1,055 square feet)
Tenure	Leasehold 99 years expiring on 18 May 2105		
Date	27/05/2019	16/01/2019	16/10/2018
Vendor	CHUA SIEW CHEAN	KONG LEE XIANG +1	ONG BEE CHU
Purchaser	WEE JIN HOW	KUEK SOCK HUI	JEMETHAN NG
Consideration	RM550,000	RM540,000	RM480,000
Analysis (RM psf)	RM521psf	RM512psf	RM455psf
Adjustments	Adjustments are made on location, floor level, size, position and quantum allowance		
Adjusted Value (RM psf)	RM503 psf	RM427 psf	RM416psf

Note: "psf" denotes per square foot

From the above analysis, the adjusted values ranging from RM416 per square foot to RM503 per square foot. Having regard to the foregoing, we have adopted Comparable 2 as the best comparable due to its latest transaction. The value adopted is RM430 per square foot.

For units with floor area more than 689 square feet, the base value adopted is at RM430 per square foot. Further adjustments are made on the location, size, floor level, tenure, position, and quantum allowance.

Based on the enquiries made to the developer, we noted that unsold units are under bumiputra reserved. In arriving for the Market Value of Bumi Unit, we have adopted a discount of 15% as per Melaka State Government Policy (for selling price above RM200,000/-). With the above, the market value of the subject property after bumi discount derived as follows:-

Floor Area (square feet)	Market Value
689	Range from RM250,000/- to RM RM270,000/-
1,270	Range from RM400,000/- to RM RM460,000/-
2,110	RM730,000/-
2,540	RM850,000/-
2,756	Range from RM930,000/- to RM RM950,000/-

Hence, the total market value of the subject property derived from Comparison Approach is RM23,290,000/-.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

b. Income Approach (Investment Method)

As a check, we have adopted the Income Approach (Investment Method) of Valuation.

Description	Parameters	Remarks
Average Gross Monthly Rental of Parcel Area	RM1.70psf – RM1.96psf	Considered the asking rentals of similar serviced apartment within the subject property
Monthly Outgoings	RM0.35 psf – RM0.38 psf	Considered the current outgoings of the subject property.
Void	10.00%	We have adopted the void for rent-free period and risk of vacancy and uncertainty.
Capitalisation Rate	3.50%	Based on the recent transaction of the serviced apartment within Pangsapuri Atlantis Kota Syahbandar, the net yield ranging from 3.36% to 4.01%. Taking into consideration the location, building specification and building age of the subject property, we have adopted the net yield at 3.50%.
Present Value	3.50%	The present value of the capitalised value for the subject property over 1 year at the discount rate of 3.5% per annum is tandem with the above adopted net yield and reflects adequately the time value of money i.e. about 1 year to secure a tenant.

Therefore, the market value after bumi discount derived as follows:-

Floor Area (square feet)	Market Value
689	RM250,000/-
1,270	RM400,000/-
2,110	RM600,000/-
2,540	RM730,000/-
2,756	RM790,000/-

Hence, the total market value derived from Income Approach (Investment Method) is RM20,000,000/-.

RECONCILIATION OF VALUE

The market value for the subject property derived from both Comparison Approach and Income Approach (Investment Method) are shown as follows:-

Comparison Approach	- RM23,290,000/-
Income Approach (Investment Method)	- RM20,000,000/-

We have adopted the market value derived from Comparison Approach as a fair representation of the market value of the subject property in view that there are similar transactions available.

VALUATION

Taking into consideration the above factors, we therefore assess the total market value of the subject property **BASED ON THE BASIS/ASSUMPTIONS AND PROVISIO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** free from all encumbrances at RM23,290,000/- (Ringgit Malaysia : Twenty Three Million Two Hundred And Ninety Thousand Only).

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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**11.0 Properties within Taman Desa Bertam, Melaka
(Our Ref : WTW/06/V/002778(b)/19/TAL)**
PROPERTY IDENTIFICATION

The property : Four (4) units of intermediate, two (2) units of corner lot and four (4) units of end lot double storey terraced house

Location : All within Taman Desa Bertam, 76450 Melaka

Title Nos., Lot Nos., Address and Land Area :

Address	Title Nos.	Lot Nos.	Land Area (square metres)
No.14, Jalan Desa Bertam 12	HSD 82790*	PT 16358	143
No. 2, Jalan Desa Bertam 12	HSD 82796*	PT 16364	263
No. 19, Jalan Desa Bertam 13	HSD 82807*	PT 16374	143
No. 20, Jalan Desa Bertam 13	HSD 82828*	PT 16396	143
No. 12, Jalan Desa Bertam 13	HSD 82832*	PT 16400	143
No. 19, Jalan Desa Bertam 14	HSD 82849*	PT 16415	143
No. 29, Jalan Desa Bertam 14	HSD 82844*	PT 16420	143
No. 1, Jalan Desa Bertam 5	HSD 82528	PT 16700	276
No. 66, Jalan Desa Bertam 6	HSD 82585	PT 16873	156
No. 106, Jalan Desa Bertam 6	HSD 82605	PT 16893 (PT 17758)	156 [^]

Note: * Bumi unit

[^] In accordance to Pre-Comp Plan bearing Ref No. JM/13/MEK/137/P/8 dated July 2019

All within Mukim of Tanjong Minyak, District of Melaka Tengah, Melaka

Tenure : Term in Perpetuity

Registered Owner : TELADAN SETIA SDN. BHD.

Category of Land Use : Building

Encumbrances : Nil

Planning Provision : Residential use

GENERAL DESCRIPTION

Lot Nos.	Land Area (square metres)	Gross Floor Area (square metres)	Shape	Remarks
PT 16358	143	263.66	Rectangular	Intermediate
PT 16364	263	275.74	Trapezoidal	Corner Lot
PT 16374	143	263.66	Rectangular	End Lot
PT 16396	143	263.66	Rectangular	End Lot
PT 16400	143	263.66	Rectangular	Intermediate
PT 16415	143	263.66	Rectangular	End Lot
PT 16420	143	263.66	Rectangular	Intermediate
PT 16700	276	299.71	Trapezoidal	Corner Lot
PT 16873	156	287.63	Rectangular	Intermediate
PT 16893 (PT 17758)	156	287.63	Rectangular	End Lot

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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Page 57**GENERAL DESCRIPTION (Cont'd)**

The land is generally flat in terrain and lies at the same level / slightly above the level of existing frontage metalled roads. To the immediate north-east of Lot No. PT 16893 (PT 17758) across the road is Sungai Bertam river reserve.

The boundaries of subject property are generally demarcated by dwarf plastered brickwalls fencing. The main entrance of each lot is installed with a pair of metal gates.

A Certificate of Completion and Compliance (CCC) for Lot PT 16700, PT 16873 and PT 16893 was issued on 29 July 2019 whilst another CCC dated 30 August 2019 was issued for the remaining lots. Based on the CCC, it is noted that the subject property is newly completed.

METHOD OF VALUATION

The subject property is valued using the Indirect Comparison Approach as other approach is deemed not appropriate.

VALUE CONSIDERATION**Indirect Comparison Approach**

Transactions of similar double storey terraced house within the vicinity area are as follows:-

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Name	Taman Bertam Setia		
Title No.	Geran Mukim 1728	Geran Mukim 1636	Geran Mukim 1668
Lot No.	11359	11307	11339
Mukim/ District/ State	Tanjong Minyak/ Melaka Tengah/ State		
Address	No. 53, Jalan BS 14	No. 72A, Jalan BS 14	No. 10, Jalan BS 14
Type	Double storey intermediate terraced house		
Land Area	156.00 square metres (1,679 square feet)		
Tenure	Term in perpetuity		
Date	21/10/2018	28/8/2018	24/7/2018
Vendor	CHAN WAI CHING + 1	T'NG TECK HUAT + FOO SING CHEAT	LIM YONG KIAN
Purchaser	GRIFFIN GAN XIANG JIAN	WONG SHI YEW + KEVIN LOH WEE KIAN	CLEMENT LEE WEI KENT + 1
Consideration	RM408,000/-	RM430,000/-	RM450,000/-
Analysis Land Value (RM psf)	RM138 psf	RM151 psf	RM163 psf
Adjustments	Adjustments are made on location – general and quantum allowance*		
Adjusted Land Value (RM psf)	RM103/-	RM113/-	RM122/-

Note: "psf" denotes per square foot

15. VALUATION CERTIFICATES (Cont'd)



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VALUE CONSIDERATION (Cont'd)

* We have adopted building value for mass development for both the transactions and subject property; therefore, it will not be affected by the quantum factor. However, the land value will be affected by quantum factor where the more the number of units, the lower value expected by the market.

From the above analysis, the adjusted land values range from RM103 per square foot to RM122 per square foot. Having regard to the foregoing, we have adopted adjusted land value of Comparable 1 because it is the most recent transaction. With that, we have adopted a rounded value of RM100 per square foot for the land in our valuation.

We have adopted RM100 per square foot for the building value of intermediate unit whilst the building value for end lot and corner lot are RM105 per square foot and RM115 per square foot, respectively. No depreciation is adopted since the building is newly completed.

The market value for non-bumi units range from RM400,000/- to RM600,000/-.

In arriving for the market value of bumi lots, we have adopted a discount of 10% as approved by Pejabat Tanah dan Galian on 30 November 2015, for selling price RM80,000/- and above. Therefore, the market value after bumi discount ranges from RM370,000/- to RM470,000/-.

Hence, the total market value of the subject property derived from Indirect Comparison Approach is RM4,220,000/-

VALUATION

Taking into consideration the above factors, we therefore assess the total market value of the subject property with permission to transfer, lease and free from all encumbrances at RM4,220,000/- (Ringgit Malaysia : Four Million Two Hundred and Twenty Thousand Only).

15. VALUATION CERTIFICATES (Cont'd)



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**12.0 Properties within Taman Seri Tuah Permai, Melaka
(Our Ref : WTW/06/V/002778(C)/19/CHS)**

TERMS OF REFERENCE

The valuation is carried out based on the following BASIS/ASSUMPTIONS:

WE HAVE INSPECTED ONLY SELECTED UNITS AND THE VALUATION FOR THE REMAINING UNITS IS BASED ON "EXTERNAL VIEWING" AND ASSUMING THE CONDITIONS AND SPECIFICATIONS ARE SAME AS UNIT NOS. 2 & 2-1, 4 & 4-1, 6 & 6-1, 8 & 8-1, 10 & 10-1, 12 & 12-1, 14 & 14-1, 16 & 16-1, 56 & 56-1, 58 & 58-1, 60 & 60-1, 62 & 62-1 AND 90 & 90-1.

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE ASSUMPTIONS WHICH ARE PRESUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE ASSUMPTIONS IS INVALID / INCORRECT.

"IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ADDITIONAL ASSUMPTIONS AS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON AN ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED."

(This paragraph is required in accordance with Standard 9 of the Malaysian Valuation Standards.)

PROPERTY IDENTIFICATION

- The property : Thirty (30) units of double storey shopoffice with twenty six (26) units of intermediate lot, two (2) units of end lot and two (2) units of corner lot
- Address/ Locality : Located at Jalan ST Permai 2, Taman Seri Tuah Permai, Durian Tunggal, 76100 Hang Tuah Jaya, Melaka

Title Nos., Lot Nos., and Land Area	Unit Nos.	Title Nos.	Lot Nos.	Land Area (square metres)
	2 & 2-1	Geran 54734	61937	587
	4 & 4-1	Geran 54735	61938	182
	6 & 6-1	Geran 54736	61939	172
	8 & 8-1	Geran 54737	61940	162
	10 & 10-1	Geran 54738	61941	152
	12 & 12-1	Geran 54739	61942	144
	14 & 14-1, 16 & 16-1, 26 & 26 -1, 34 & 34-1, 38 & 38-1, 40 & 40-1 and 42 & 42-1	Geran 54740, 54741, 54746, 54750, 54752 to 54754 (inclusive)	61943, 61944, 61949, 61953, 61955 to 61957 (inclusive)	143
	46 & 46-1, 48 & 48-1 and 52 & 52-1	Geran 54756, 54757 & 54759	61959, 61960 & 61962	154
	56 & 56-1, 58 & 58-1 and 60 & 60-1	Geran 54761* to 54763*(inclusive)	61964 to 61966 (inclusive)	154
	62 & 62-1, 64 & 64-1, 66 & 66-1, 68 & 68-1, 70 & 70-1, 72 & 72-1, 74 & 74-1, 76 & 76-1, 78 & 78-1 and 80 & 80-1	Geran 54764* to 54773*(inclusive)	61967 to 61976 (inclusive)	143
	90 & 90-1	Geran 54778*	61981	258

Note: * Bumi unit

15. VALUATION CERTIFICATES (Cont'd)



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PROPERTY IDENTIFICATION (Cont'd)

Tenure : Term in perpetuity

Register Owner : TELADAN SETIA SDN. BHD

Category of Land Use : Building

Encumbrances : Nil

Planning Provision : Commercial use

GENERAL DESCRIPTION

Lot Nos.	Land Area (square metres)	Gross Floor Area (square metres)	Shape	Remarks
61937	587	511.22	Trapezoidal	Corner Lot
61938	182	364.00	Trapezoidal	Intermediate
61939	172	344.00	Trapezoidal	Intermediate
61940	162	324.00	Trapezoidal	Intermediate
61941	152	304.00	Trapezoidal	Intermediate
61942	144	288.00	Trapezoidal	Intermediate
61943, 61944, 61949, 61953, 61955 to 61957 (inclusive)	143	286.00	Rectangular	Intermediate
61959, 61960, 61962, 61964 & 61965	154	308.00	Intermediate	Regular
61966	154	308.00	End Lot	Regular
61967	143	286.00	End Lot	Rectangular
61968 to 61976 (inclusive)	143	286.00	Intermediate	Rectangular
61981	258	516.00	Regular	Corner Lot

The land is generally flat in terrain and lies slightly above the level of existing frontage metalled road, Jalan ST Permai 2.

The subject property has been issued with a Certificate of Completion and Compliance (CCC) dated 19 February 2016 and the building age is about 3.5 years old.

METHOD OF VALUATION

The market value of the subject property is arrived principally by the Indirect Comparison Approach. We have also carried out a check valuation using the Income Approach (Investment Method).

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC
Page 61**VALUE CONSIDERATION**a) Indirect Comparison Approach

The transactions of double storey shopoffice within the vicinity area are as follows :-

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Scheme	Taman Angsa Mas	Taman Cenderawasih	Taman Krubong Perdana
Title No.	Geran 26224	Geran Mukim 1447	Geran 50434
Lot No.	8922	8885	7503
Mukim	Durian Tunggal	Durian Tunggal	Krubong
District	Alor Gajah	Alor Gajah	Melaka Tengah
State	Melaka		
Address	DT 3949, Jalan Angsa Mas 1	DT 4133, Jalan Cenderawasih 2	No. 27 & 27-1, Jalan KP 1
Type	Intermediate	End lot	End lot
Land Area	143.00 sm (1,539 sf)	143.00 sm (1,539 sf)	164.00 sm (1,765 sf)
Tenure	Term in perpetuity		
Date	07/11/2018	28/03/2018	23/02/2018
Vendor	KU CHYE END + 1	NORAINI BINTI MAWARDI	RAGHAVAN A/L KANASAMY
Purchaser	CHIN V-CHUN	RENUKHA A/P SUBRAMANIAM	KEK KIM SING + 1
Consideration	RM470,000/-	RM355,000/-	RM400,000/-
Analysis Land Value (RM psf)	07/11/2018	RM106.00 psf	RM111.00 psf
Adjustments	Adjustments are made on location – general, position and quantum*		
Adjusted Land Value (RM psf)	RM93.33 psf	RM90.51 psf	RM83.20 psf

Note: "psf" denotes per square foot

* We have adopted building value for mass development for both the transactions and subject property; therefore, it will not be affected by the quantum factor. However, the land value will be affected by quantum factor where the more the number of units, the lower value expected by the market.

We have adopted Lot 61943 as a base and from the above analysis, the adjusted land values range from RM83.20 per square foot to RM93.33 per square foot. We have adopted Comparable 1 as the best comparable due to its most recent transaction.

The base land value adopted is at RM90 per square foot. Further adjustments for remaining units are made on the size and position and therefore, the land values derived ranging from RM68 per square foot to RM90 per square foot.

The building value adopted for the subject building is RM90 per square foot for intermediate unit and RM95 per square foot for corner and end unit with a depreciation rate of 10%.

The market value for non-bumi units range from RM380,000/- to RM770,000/-.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

In arriving for the market value of bumi units, we have adopted a discount of 15% as per Melaka State Government policy (for selling price above RM200,000/-). Therefore, the market value after bumi discount derived at RM320,000/- to RM590,000/-.

Hence, the total market value of the subject property derived from Indirect Comparison Approach is RM11,690,000/-.

b) Income Approach (Investment Method)

Description	Parameters	Remarks
Average Gross Monthly Rental for Double Storey Shopoffice (Tenanted Unit)	RM0.03 psf to RM1.27 psf	We have adopted current passing rent.
Average Gross Monthly Rental For Ground Floor Double Storey Shopoffice (Vacant Unit)	RM0.80 psf (intermediate) RM0.85 psf (corner/end)	Considered the rental of ground and first floor of double storey shopoffices within the vicinity.
Average Gross Monthly Rental For First Floor Double Storey Shopoffice (Vacant Unit)	RM0.40 psf (intermediate) RM0.45 psf (corner/end)	Considered the rental of similar first floor of double storey shopoffices within the vicinity.
Average Gross Monthly Rental For Ground Floor Double Storey Shopoffice – Reversionary (Tenanted Unit)	RM0.80 psf (intermediate) RM0.85 psf (corner/end)	Considered the concluded rental of similar ground floor of double storey shopoffices within the vicinity.
Average Gross Monthly Rental For First Floor Double Storey Shopoffice (Tenanted Unit)	RM0.40 psf (intermediate) RM0.45 psf (corner/end)	Considered the concluded rental of similar first floor of double storey shopoffices within the vicinity.
Monthly Outgoings	RM0.09 psf	Considered the current actual outgoings of the subject property.
Void	20.00%	We have adopted the void for rent-free period and risk of vacancy and uncertainty.
Capitalisation Rate - Term	3.00%	Based on the recent transaction of the shopoffices within the vicinity, the net yield ranges from 2.76% to 3.65%. Taking into consideration the location, building specification and building age of the subject property, we have adopted the rounded net yield (term) at 3.00% and net yield (reversionary) at 3.50%.
Capitalisation Rate - Reversionary	3.50%	

The market value derived for non-bumi units range from RM370,000/- to RM740,000/-.

In arriving for the market value of bumi units, we have adopted a discount of 15% as per Melaka State Government policy (for selling price above RM200,000/-). Therefore, the market value after bumi discount derived at RM300,000/- to RM590,000/-.

Hence, the total market value of the subject property derived from Income Approach (Investment Method) is RM11,360,000/-.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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RECONCILIATION OF VALUE

The market value for the subject property derived from both Comparison Approach and Income Approach (Investment Method) are shown as follows:-

Indirect Comparison Approach	- RM11,690,000/-
Income Approach (Investment Method)	- RM11,360,000/-

We have adopted the market value derived from Comparison Approach as a fair representation of the market value of the subject property in view that there are plenty of transactions available within the vicinity.

VALUATION

Taking into consideration the above factors, we therefore assess the total market value of the subject property **BASED ON THE BASIS/ASSUMPTIONS AND PROVISIO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** with permission to transfer, lease and free from all encumbrances at RM11,690,000/- (Ringgit Malaysia : Eleven Million Six Hundred And Ninety Thousand Only).

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC
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**13.0 Properties within Taman Bertam Putra, Melaka
(Our Ref : WTW/06/V/002778(D)/19/AA)**

TERMS OF REFERENCE

The valuation is carried out based on the following BASIS/ASSUMPTIONS:

WE HAVE INSPECTED ONLY SELECTED UNITS OF THE DOUBLE STOREY SHOPOFFICE AND THE VALUATION FOR THE REMAINING UNITS IS BASED ON "EXTERNAL VIEWING" AND ASSUMING THE CONDITIONS AND SPECIFICATIONS ARE SAME AS NOS. 146 & 146-1 AND 148 & 148-1 OF JALAN BERTAM PUTRA 1.

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE ASSUMPTIONS WHICH ARE PRESUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE ASSUMPTIONS IS INVALID / INCORRECT.

"IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ADDITIONAL ASSUMPTIONS AS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON AN ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED."

(This paragraph is required in accordance with Standard 9 of the Malaysian Valuation Standards.)

PROPERTY IDENTIFICATION

The property : 1. Thirty (30) units of double storey shopoffice
2. Three (3) Units of double storey terraced house and
3. Thirty six (36) parcels of vacant commercial terraced plot

Location : All within Taman Bertam Putra, Tanjong Minyak, 76450 Melaka

Lot Nos., Title Nos. and Land Area : 1. Thirty (30) units of double storey shopoffice

Address (Jalan Bertam Putra 1)	Title Nos.	Lot Nos.	Land Area (square metres)
64 & 64-1	Geran 62468#	24837	143
66 & 66-1, 68 & 68-1 and 70 & 70-1	Geran 62469 to 62471 (inclusive)	24838 to 24840 (inclusive)	143
96 & 96-1, 98 & 98-1, 100 & 100-1, 102 & 102-1, 104 & 104-1, 106 & 106-1, 108 & 108-1	Geran 62497 to 62503 (inclusive)	24853 to 24859 (inclusive)	143
110 & 110-1	Geran 62517	24860	143
112 & 112-1	Geran 62506	24861	143
114 & 114-1 and 116 & 116-1	Geran 62508 & 62509	24862 & 24863	143
120 & 120-1	Geran 62511	24865	143

Note: # Bumi unit

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC
Page 65**PROPERTY IDENTIFICATION (Cont'd)**

Lot Nos., Title Nos. and Land Area (Cont'd) : 1. Thirty (30) units of double storey shopoffice (Cont'd)

Address (Jalan Bertam Putra 1)	Title Nos.	Lot Nos.	Land Area (square metres)
122 & 122-1 and 124 & 124-1	Geran 62520 & 62521	24866 & 24867	143
126 & 126-1, 128 & 128-1, 130 & 130-1, 132 & 132-1, 134 & 134-1	Geran 62528 to 62532	24868 to 24872 (inclusive)	143
136 & 136-1	Geran 62537	24873	143
138 & 138-1	Geran 62534	24874	143
140 & 140-1, 142 & 142-1, 144 & 144-1 and 146 & 146-1	Geran 62439 to 62442 (inclusive)	24875 to 24878 (inclusive)	143
148 & 148-1	Geran 62443	24879	185

2. Three (3) units of double storey terraced house

Address	Title Nos.	Lot Nos.	Land Area (square metres)
No. 25, Jalan Bertam Putra 5	Geran 62609 [#]	24986	178
No. 17, Jalan Bertam Putra 5	Geran 62618 [#]	24990	178
No. 74, Jalan Bertam Putra 2	Geran 62592	25047	258

Note: [#] Bumi unit

3. Thirty six (36) parcels of vacant commercial terraced plot

Title Nos.	Lot Nos.	Land Area (square metres)
Geran 62420 [#]	24806	271
Geran 62421 [#] to Geran 62434 [#] (inclusive)	24807 to 24820 (inclusive)	143
Geran 62435 [#]	24821	162
Geran 62436 [#] to Geran 62438 [#] (inclusive)	24822 to 24824 (inclusive)	143
Geran 62449 [#] to Geran 62452 [#] (inclusive)	24825 to 24828 (inclusive)	143
Geran 62454 [#] & 62455 [#]	24829 & 24830	143
Geran 62457 [#] & 62458 [#]	24831 & 24832	143
Geran 62464 [#] & 62465 [#]	24833 & 24834	143
Geran 62466 [#]	24835	162
Geran 62444	24880	172
Geran 62445 to 62448 (inclusive)	24881 to 24884 (inclusive)	143
Geran 62453	24885	143

Note: [#] Bumi unitAll within Mukim of Tanjong Minyak, District of Melaka Tengah,
Melaka

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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PROPERTY IDENTIFICATION (Cont'd)

Tenure : Term in perpetuity

Registered Owners : MIDAS DIMENSI SDN. BHD

Encumbrances : Nil

Planning Provision : Property 1 & 3
Commercial use

Property 2
Residential use

GENERAL DESCRIPTIONi) Property 1 : Thirty (30) units of double storey shopoffice

Lot Nos.	Land Area (square metres)	Gross Floor Area (square metres)	Shape	Remarks
24837, 24838 to 24840 (inclusive), 24853 to 24863 (inclusive)	143	286.14	Rectangular	Intermediate
24865	143	286.14	Rectangular	End lot
24866 to 21878 (inclusive)	143	286.14	Rectangular	Intermediate
24879	185	369.26	Regular	Corner lot

The land is generally flat in terrain and lies slightly above the existing frontage metalled road, Jalan Bertam Putra 1.

The subject property has been issued with a Certificate of Completion and Compliance (CCC) on 20 December 2018 and the building is about 8 months old.

ii) Property 2 : Three (3) units of double storey terraced house

Lot Nos.	Land Area (square metres)	Gross Floor Area (square metres)	Shape	Remarks
24986	178	253.19	Rectangular	Intermediate
24990	178	253.19	Rectangular	Intermediate
25047	258	284.38	Odd	Intermediate

The land is generally flat in terrain and lies at about the same level with the existing frontage road, Jalan Bertam Putra 2. The site boundaries of the subject property are demarcated by plastered brickwalls and chain link fencing. The main entrance is installed with a pair of metal gates.

The subject property has been issued with a Certificate of Completion and Compliance (CCC) on 20 December 2018 and the building is about 8 months old.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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PROPERTY IDENTIFICATION (Cont'd)

ii) Property 3 : Thirty six (36) parcels of vacant commercial terraced plot

The thirty six (36) parcels of vacant commercial terraced plot have a combined land area of 5,343 square metres (approximately 57,512 square feet or 1.32 acres). The site boundaries were demarcated by metal cladding during the time of inspection and the subject land had been cleared, levelled and ready for immediate development.

The subject property has also obtained planning approval and building plans approval for the development of double storey shopoffice.

METHOD OF VALUATION

Property 1 & 3

The market value of the subject property is arrived principally by the Indirect Comparison Approach. We have also carried out a check valuation using the Income Approach (Investment Method).

Property 2

The subject property is valued using the Comparison Approach as other approach is deemed not appropriate.

VALUE CONSIDERATION

Property 1 : Thirty (30) units of double storey shopoffice

a. Indirect Comparison Approach

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Name	Taman Bertam Impian	Taman Bertam Impian	Taman Bertam Jaya
Title No.	GRN 44946	GRN 44909	GM 301
Lot No.	6681	6663	1575
Mukim	Tanjong Minyak	Tanjong Minyak	Paya Rumput
District/ State	Melaka Tengah/ Melaka		
Address	No. 52, Jalan BI 1	No. 16 & 16-1 Jalan BI 1	No. 20 & 20/1, Jalan Bertam Jaya 9A
Type	Double storey intermediate shopoffice		
Land Area	130 square metres (1,399 square feet)	130 square metres (1,399 square feet)	153 square metres (1,647 square feet)
Tenure	Term in perpetuity		
Date	11/01/2018	11/04/2018	02/08/2018
Vendor	TAN SEE KUI@TAN CEE KWEE + 3	TAY BIE DEN + 1	GRAND EMPEROR SDN BHD
Purchaser	BRITISH DOMAIN SDN BHD	THI KIM HOCK	SOH YIH HARNG
Consideration	RM330,000/-	RM300,000/-	RM415,000/-
Analysis Land Value (RM psf)	RM99.48	RM95.08	RM123.03
Adjustments	Adjustments are made on location – general, location – accessibility / visibility and quantum*		
Adjusted Land Value (RM psf)	RM90.00	RM86.00	RM92.00

Note: "psf" denotes per square foot

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

Property 1 : Thirty (30) units of double storey shopoffice

* We have adopted building value for mass development for both the transactions and subject property; therefore, it will not be affected by the quantum factor. However, the land value will be affected by quantum factor where the more the number of units, the lower value expected by the market.

From the above analysis, the adjusted land values range from RM86 per square foot to RM92 per square foot. Having regard to the foregoing, we have adopted the adjusted land value of Comparable 1 and 2 as the best comparable due to its similarity in terms of location, surrounding and most recent transaction. With that, we have adopted the average value of Comparable 1 and 2 and rounded to RM90 per square foot for the land in our valuation.

We have adopted RM90 per square foot for the building value of intermediate unit and RM100 per square foot for end unit and corner unit. No depreciation adopted for the building since the buildings are newly completed.

The market value for non-bumi units is derived at RM410,000/- for intermediate unit and RM440,000/- for end unit.

In arriving for the market value of Lot 24837 (Unit No. 64 & 64-1) which is designated as bumi unit, we have adopted a discount of 15% as per Melaka State Government Policy (for selling price above RM200,000/-). Therefore, the market value after bumi discount derived at RM370,000/-.

For corner unit (Unit No. 148 & 148-1), the market value is derived at RM560,000/-.

Hence, the total market value of the subject property derived from Comparison Approach is RM12,440,000/-.

b. Income Approach (Investment Method)

Description	Parameters	Remarks
Average Gross Monthly Rental	RM0.65 psf (intermediate) RM0.70psf (end/corner lot)	Considered the asking rentals of similar double storey shopoffice within the subject scheme.
Monthly Outgoings	RM0.10 psf	Considered the current outgoings of the subject property.
Void	20%	We have adopted the void for rent-free period and risk of vacancy and uncertainty.
Capitalisation Rate	3.50%	Based on the recent transaction of the shopoffices, the net yield ranges from 3.05% to 3.98%.
Present Value	3.50%	The present value of the capitalised value for the subject property over 1 year at the discount rate of 3.5% per annum is tandem with the above adopted net yield and reflects adequately the time value of money i.e. about 1 year to secure a tenant.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

The market value for non-bumi units is derived at RM400,000/- for intermediate unit RM440,000/- for end unit.

In arriving for the market value of Lot 24837 (Unit No. 64 & 64-1) which is designated as bumi unit, we have adopted a discount of 15% as per Melaka State Government Policy (for selling price above RM200,000/-). Therefore, the market value after bumi discount derived at RM360,000/-. For corner unit (Unit No. 148 & 148-1), the market value is derived at RM510,000/-.

Hence, the total market value of the subject property derived from Income Approach (Investment Method) is RM12,110,000/-.

Property 2 : Three (3) units of double storey terraced house

Indirect Comparison Approach

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Name	Taman Bertam Setia	Taman Bertam Setia	Taman Bertam Setia
Title No.	GM 1728	GM 1636	GM 1668
Lot No.	11359	11307	11339
Mukim/ District/ State	Tanjong Minyak/ Melaka Tengah/ Melaka		
Address	No. 53, Jalan BS 14	No. 72A, Jalan BS 14	No. 10, Jalan BS 14
Type	Double storey intermediate terraced house		
Land Area	156 square metres (1,679 square feet)	156 square metres (1,679 square feet)	156 square metres (1,679 square feet)
Tenure	Term in perpetuity		
Date	21/10/2018	28/08/2018	24/07/2018
Vendor	CHAN WAI CHING + 1	TNG TECK HUAT + FOO SING CHEAT	LIM YONG KIAN
Purchaser	GRIFFIN GAN XIANG JIAN	WONG SHI YEW + KEVIN LOH WEE KIAN	CLEMENT LEE WEI KENT + 1
Consideration	RM408,000/-	RM430,000/-	RM450,000/-
Analysis Land Value (RM psf)	RM137.52	RM150.62	RM162.53
Adjustments	Adjustments are made on location – general, land area, shape, quantum* and others – Facing T- junction		
Adjusted Land Value (RM psf)	RM62.00	RM68.00	RM73.00

Note: "psf" denotes per square foot

* We have adopted building value for mass development for both the transactions and subject property; therefore, it will not be affected by the quantum factor. However, the land value will be affected by quantum factor where the more the number of units, the lower value expected by the market.

From the above analysis, the adjusted land values range from RM62 per square foot to RM73 per square foot. Having regard to the foregoing, we have adopted Comparable 1 because it is the most recent transaction. With that we have adopted a rounded value of RM65 per square foot for the land in our valuation.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

We have adopted RM100 per square foot for the building value and no depreciation adopted for the building since the buildings are newly completed.

The market value for non-bumi unit is derived at RM450,000/-.

In arriving for the market value of bumi unit, we have adopted a discount of 15% as per Melaka State Government Policy (for selling price above RM200,000/-). Therefore, the market value derived for bumi unit is RM400,000/-.

Hence, the market value of the subject property derived from Comparison Approach is RM1,250,000/-.

Property 3 : Thirty six (36) parcels of vacant commercial terraced plot

a. Income Approach (Residual Method)

Summary of Parameters

Gross Development Value (GDV)	RM14,910,000/- (Note 1)
Gross Development Cost (GDC)	RM13,023,418/- (Note 2)
Developer's profit	20% of GDV
Development period	1 year (Note 3)
Discount Rate	8.0% per annum

Note 1:

The GDV in our valuation is arrived at by reference to the selling/ transacted prices of double storey shopoffice in the neighbourhood of the subject property and the details are as follows:-

Scheme	Land Area (square metres)	Transacted Price Range (RM per unit)
Taman Bertam Impian	130	RM300,000 & 330,000/-
Taman Bertam Jaya	153	RM415,000/-

For the purpose of this valuation, we have adopted a proposed selling price as follows:

Position	Proposed Selling Price (RM)	
	Non Bumi	Bumi
Intermediate	RM430,000/-	RM390,000/-
End Lot	RM460,000/-	RM410,000/-
Corner Lot	RM590,000/-	RM530,000/-

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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Note 2:

The GDC are based on the following material parameters:-

Item	Rate Adopted	Remarks
Preliminaries	RM20,000 per acre	Based on normal rate within the industry practice.
Statutory Contributions		
-DID	-	DID contribution has been paid.
-Syarikat Air Melaka Berhad (SAMB)	RM650 per unit	Based on information gathered from the relevant departments/ agencies and records that were compiled from our previous valuations of similar property in Malacca.
-Tenaga Nasional Berhad (TNB)	RM450 per unit	
-Indah Water Konsortium (IWK)	1.00% of GDV	
-Building Plan	-	The building plan has been approved.
-Title, Certificate of Completion and Compliance application and other fees and licenses	RM500 per plot	Based on information gathered from the relevant departments/ agencies and records that were compiled from our previous valuations of similar property in Malacca.
Earthwork & Site Clearance	-	The earthworks and site clearance have been completed.
Building Construction Cost	RM70 psf/GFA	Based on the JUBM & Arcadis Construction Cost Handbook Malaysia 2019 as well as our investigation.
Infrastructure Works	-	The infrastructure work has been done.
Finance Cost	8.0%	We have adopted a rate of 8.0% on 30% of the total estimated cost for earthwork and site clearance, building construction cost, and infrastructure cost of the proposed development to be incurred for half of the development period. The finance cost of 8.0% per annum is based on our enquiries with financial institutions, i.e. Base Lending Rate (BLR) 6.9% per annum plus security margin of 1.0% to 2.5% per annum.
Legal fees, Agency fees and Marketing	3.0% of the GDV	Based on market rate which is in the region of 2% to 4% of GDV.
Administration & Project Management	3.0% of total earthwork & site clearance, building construction and infrastructure costs	Based on normal rate within the industry practice.
Professional Fees	7.0% of total earthwork & site clearance, building construction and infrastructure costs	Based on normal rate within the industry practice.
Contingencies	5.0% of the total construction cost and development costs	Based on normal rate within the industry practice.

Note 3:

This is the time frame required for construction and completion as well as the marketing of the units of development. The development period is essential market derived and is also based on analysis of similar developments.

Reference made to the development order bearing Reference No. PTG(M)A/352/1/14/2352(11) issued on 4 February 2016, it is noted that a total of 80 units double storey shop offices (22' x 70') have been approved for the subject scheme. However, out of the 80 units, there are still 36 remaining units to be constructed.

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC
Page 72**VALUE CONSIDERATION (Cont'd)**

Following our findings, we are of the view that the construction of 36 units of shopoffice will take around 6 months because the building plans of the subject property have been approved and all the infrastructures i.e. roads and drainages have been completed.

Furthermore, the selling price adopted by us to derive the gross development value (GDV) of the 36 units of shopoffice is in-line with secondary market and approximately 26% lower than the developer's selling price of the completed shopoffices located within the same scheme.

With the above, we have proposed a development period of 1 year which is consider reasonable after taking into account another 6 months for additional sales & marketing period.

b. Comparison Approach

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Name	Next to Automotif Muzium	Klebang	Klebang
Title No.	PM 60179	HSD 69033	HSD 75535
Lot No.	64364	PT 436, Seksyen 2	PT 554, Seksyen 2
Mukim / Pekan	Durian Tunggal	Pekan Klebang S.2	Pekan Klebang
District	Alor Gajah	Melaka Tengah	Melaka Tengah
State	Melaka		
Address	Along Lebu SPA	Jalan Klebang	Jalan Klebang
Type	Commercial Land	Commercial Land (Reclaimed Land)	Commercial Land (Reclaimed Land)
Land Area	8,131 square metres (87,521 square feet)	20,308 square metres (218,593 square feet)	31,200 square metres (335,834 square feet)
Tenure	Leasehold 99 years (expiring on 12/03/2110)	Leasehold 99 years (expiring on 28/11/2109)	Leasehold 99 years (expiring on 30/07/2112)
Date	27/12/2018	23/11/2018	21/11/2018
Vendor	CAMBERLEY PARK SDN BHD	CHONG CHING REALTY SDN. BHD.	ARENA PROGRESIF SDN BHD
Purchaser	SEONG HOE PREMIUM MOTORS SDN BHD	STAR DREAM SDN. BHD	INSTINCT HUB SDN BHD
Consideration	RM4,500,000/-	RM10,055,291/-	RM14,609,371/-
Analysis (RM psf)	RM51/-	RM46/-	RM44/-
Adjustments	Adjustments are made on location – general, land area, tenure, restriction and other – gross land area		
Adjusted Land Value (RM psf)	RM36/-	RM41/-	RM41/-

Note: "psf" denotes per square foot

From the above analysis, the adjusted land values range from RM36 per square foot to RM41 per square foot. Having regard to the foregoing, we have adopted an adjusted land value of Comparable 1 due to its similarity in terms of surrounding and development type. Therefore, we have adopted a rounded value of RM35 per square foot for the land in our valuation.

The market value of the subject property derived from Comparison Approach, say RM2,000,000/-

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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RECONCILIATION OF VALUE

Property 1 : Thirty (30) units of double storey shopoffice

The market value for the subject property derived from both Indirect Comparison Approach and Income Approach (Investment Method) are shown as follows:-

Indirect Comparison Approach	- RM12,440,000/-
Income Approach (Investment Method)	- RM12,110,000/-

We have adopted the market value derived from Indirect Comparison Approach at RM12,440,000/- as a fair representation of the market value of the subject property in view that there are transactions available within the vicinity.

Property 2 : Three (3) Units of double storey terraced house

The market value for the subject property is only derived from Indirect Comparison Approach and shown as follows:-

Indirect Comparison Approach	- RM1,250,000/-
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We have adopted the Comparison Approach as the only method of valuation since there are adequate transactions of similar property available in the vicinity. Hence, we have not considered the Income Approach in this valuation.

Property 3 : Thirty six (36) parcels of vacant commercial terraced plot

The market value for the subject property derived from both Comparison Approach and Income Approach (Residual Method) are shown as follows:-

Income Approach (Residual Method)	- RM1,700,000/-
Comparison Approach	- RM2,000,000/-

We have adopted the market value derived from Income Approach (Residual Method) at RM1,700,000/- as a fair representation of the market value of the subject property in view that there is a dearth of terraced plot transactions available within the vicinity coupled with the fact that the subject property has obtained planning approval and building plans approval.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **BASED ON THE BASIS/ASSUMPTION AS STATED IN THE TERMS OF REFERENCE HEREIN** with permission to transfer, lease and free from all encumbrances at RM15,390,000/- (Ringgit Malaysia : Fifteen Million Three Hundred And Ninety Thousand Only).

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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**14.0 Properties within Bandar Baru Merlimau Utara, Melaka
(Our Ref : WTW/06/V/002778(F)/19/MTT)**

PROPERTY IDENTIFICATION

The property : Seven (7) units of double storey intermediate shopoffice and two (2) units of double storey end lot shopoffice

Location : Along Jalan BMU 2, Bandar Baru Merlimau Utara, 77300 Merlimau, Melaka

Unit Nos., Title Nos., Lot Nos., and Land Area	Unit Nos.	Title Nos.	Lot Nos.	Land Area (square metres)
	JC 137, JC 131 to JC 126 (inclusive)	PM 1716, PM 1722 to PM 1727 (inclusive)	Lot 8759, 8765 to 8770 (inclusive)	143
	JC 133 & JC 132	PM 1720 & 1721	8763 & 8764	167

All within Mukim of Merlimau, District of Jasin, Melaka

Tenure : Leasehold 99 years expiring on 27 January 2109
(Unexpired term of approximately 89 years)

Registered Owner : TELADAN SETIA SDN. BHD.

Category of Land Use : Building

Encumbrances : Nil

Planning Provision : Commercial use

GENERAL DESCRIPTION

Lot Nos.	Land Area (square metres)	Gross Floor Area (square metres)	Shape	Remarks
Lot 8759, 8765 to 8770 (inclusive)	143	286.00	Rectangular	Intermediate Lot
8763 & 8764	167	332.78	Rectangular	End Lot

The land is generally flat in terrain and lies slightly above the level of existing frontage metalled road, Jalan BMU 2.

The subject property has been issued with a Certificate of Completion and Compliance (CCC) dated 30 December 2011 and it is about 8 years old.

METHOD OF VALUATION

The market value of the subject property is arrived principally by the Indirect Comparison Approach. We have also carried out a check valuation using the Income Approach (Investment Method).

15. VALUATION CERTIFICATES (Cont'd)

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/001792/19/TBC

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VALUE CONSIDERATIONa) Indirect Comparison Approach

Transactions of double storey shopoffice within the vicinity area are as follows :-

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Scheme	Bandar Baru Merlimau Utara		Taman Merlimau Maju
Title No.	PM 1591	PM 1619	GM 1251
Lot No.	8629	8657	8403
Mukim/ District/ State	Merlimau/ Jasin/ Melaka		
Address	JC 113, Jalan BMU 2	JC 14, Jalan BMU 1	JA 8695, Jalan Merlimau / Jasin
Type	Intermediate	End lot	Intermediate
Land Area	143.00 sm (1,539 sf)	143.00 sm (1,539 sf)	131.00 sm (1,410 sf)
Tenure	Leasehold 99 years expiring on 27 January 2109	Leasehold 99 years expiring on 27 January 2109	Term in Perpetuity
Date	24/10/2016	13/10/2016	12/07/2019
Vendor	HO SUN YUAN	TAN KIM TAT	YAW SENG CHA
Purchaser	HOW CHIEW FONG + 1	GARY GOH PANG JIAN	GAN CHIN KEONG + 1
Consideration	RM400,000/-	RM500,000/-	RM450,000/-
Analysis Land Value (RM psf)	RM115.00 psf	RM172.00 psf	RM186.00 psf
Adjustments	Adjustments are made on location-general, location-accessibility / visibility, tenure, position (intermediate / end lot), quantum* and others-Near to IWK		
Adjusted Land Value (RM psf)	RM57.50 psf	RM51.57 psf	RM46.44 psf

Note: "psf" denotes per square foot

* We have adopted building value for mass development for both the transactions and subject property; therefore, it will not be affected by the quantum factor. However, the land value will be affected by quantum factor where the more the number of units, the lower value expected by the market.

From the above analysis, the adjusted land values range from RM46.44 per square foot to RM57.50 per square foot. We have adopted Comparable 1 and Comparable 2 as the best comparable since are located in the same scheme. With that, we have adopted a rounded average value of RM55 per square foot for the land in our valuation.

We have adopted a building value of RM90 per square foot for intermediate unit and RM95 per square foot for end unit together with a depreciation rate of 15%.

The market value for intermediate unit and end unit are RM310,000/- and RM390,000/-, respectively.

Hence, the total market value of the subject property derived from Comparison Approach is RM2,950,000/-.

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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VALUE CONSIDERATION (Cont'd)

b) Income Approach (Investment Method)

As a check, we have adopted the Income Approach (Investment Method) of Valuation.

Description	Parameters	Remarks
Average Gross Monthly Rental	RM0.50 psf (intermediate) RM0.525 psf (end lot)	Considered the asking rental of similar double storey shopoffice within the subject scheme.
Monthly Outgoings	RM0.06 psf	Considered the current actual outgoings of the subject property.
Void	20.00%	We have adopted the void for rent-free period and risk of vacancy and uncertainty.
Capitalisation Rate	3.50%	Based on the recent transaction of the shopoffices within Bandar Baru Merlimau Utara, the net yield ranges from 3.39% to 3.76%. Taking into consideration the location, building specification and building age of the subject property, we have adopted the net yield at 3.50%.
Present Value	3.50%	The present value of the capitalised value for the subject property over 1 year at the discount rate of 3.5% per annum is tandem with the above adopted net yield and reflects adequately the time value of money i.e. about 1 year to secure a tenant.

The market value for intermediate unit and end unit are RM310,000/- and RM390,000/-, respectively.

Hence, the total market value of the subject property derived from Income Approach (Investment Method) is RM2,950,000/-.

RECONCILIATION OF VALUE

The market value for the subject property derived from both Indirect Comparison Approach and Income Approach (Investment Method) are shown as follows:-

Indirect Comparison Approach - RM2,950,000/-
Income Approach (Investment Method) - RM2,950,000/-

We have adopted the market value derived from Indirect Comparison Approach as a fair representation of the market value of the subject property in view that there are plenty of transactions available within the vicinity.

VALUATION

Taking into consideration the above factors, we therefore assess the total market value of the subject property with permission to transfer, lease and free from all encumbrances at RM2,950,000/- (Ringgit Malaysia : Two Million Nine Hundred And Fifty Thousand Only).

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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**15.0 Properties within Taman Cheng Setia, Melaka
(Our Ref : WTW/06/V/002778(G)/19/TAL)**

PROPERTY IDENTIFICATION

The property : Eleven (11) units of intermediate and one (1) unit of end lot double storey terraced house

Location : Along Jalan CS 4, Taman Cheng Setia, 76450 Melaka

Title Nos., Lot Nos., Address and Land Area

Unit Nos.	Title Nos.	Lot Nos.	Land Area (square metres)
31	GRN 45885*	8974	159
29, 27, 25, 23, 21, 19 & 17	GRN 45884* to 45878* (inclusive)	8975 to 8981 (inclusive)	133
11, 9, 7 & 5	GRN 45875 to 45872 (inclusive)	8984 to 8987 (inclusive)	133

Note: * Bumi unit
All within Mukim of Cheng, District of Melaka Tengah, Melaka

Tenure : Term in Perpetuity

Registered Owner : TELADAN SETIA SDN. BHD.

Category of Land Use : Building

Encumbrances : Nil

Planning Provision : Residential use

GENERAL DESCRIPTION

Lot Nos.	Land Area (square metres)	Gross Floor Area (square metres)	Shape	Remarks
Lot 8974	159	207.18	Rectangular	End Lot
8975 to 8981 (inclusive) & 8984 to 8987 (inclusive)	133	207.18	Rectangular	Intermediate Lot

The land is generally flat in terrain and lies slightly above the existing frontage metalled road, Jalan CS 4. The boundaries of subject property are demarcated by plastered brickwalls. The main entrance is installed with foldable metal gates.

The subject property has been issued with a Certificate of Completion and Compliance (CCC) dated 7 November 2018.

15. VALUATION CERTIFICATES (Cont'd)

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METHOD OF VALUATION

The subject property is valued using the Indirect Comparison Approach as other approach is deemed not appropriate.

VALUE CONSIDERATIONIndirect Comparison Approach

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Name	Taman Cheng Setia		
Title No.	Geran 45853	Geran Mukim 1149	Geran 43798
Lot No.	9026	8765	8701
Mukim/ District/ State	Cheng/ Melaka Tengah/ Melaka		
Address	No. 22, Jalan CS 6	No. 96, Jalan CS 5	No. 86, Jalan CS 6
Type	Double (2) storey intermediate terraced house		
Land Area	143.00 square metres (1,539 square feet)		
Tenure	Term in perpetuity		
Date	11/10/2018	06/04/2018	12/11/2016
Vendor	DINAH ON SIEW PENG	KOH YOONG LEI + 1	HOO MUN SZE @ HOOI MUN SZE + 1
Purchaser	LAU MAY LING	TAN SOO ANN + 1	LIM SOON CHUAN
Consideration	RM460,000/-	RM415,000/-	RM375,000/-
Analysis Land Value (RM psf)	RM201 psf	RM171 psf	RM170 psf
Adjustments	Adjustments is made on quantum allowance*		
Adjusted Land Value (RM psf)	RM190/-	RM163/-	RM161/-

Note: "psf" denotes per square foot

* We have adopted building value for mass development for both the transactions and subject property; therefore, it will not be affected by the quantum factor. However, the land value will be affected by quantum factor where the more the number of units, the lower value expected by the market.

From the above analysis, the adjusted land values range from RM161 per square foot to RM190 per square foot. We have adopted adjusted land value of Comparable 1 because it is the most recent transaction. With that, we have adopted a value of RM190 per square foot for the land in our valuation.

The building value adopted for the intermediate lot is RM100 per square foot whilst the building value for end lot is RM105 per square foot. In view that the building is newly completed, no depreciation is adopted.

The market value for non-bumi units range from RM480,000/- to RM520,000/-.

15. VALUATION CERTIFICATES (Cont'd)



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VALUE CONSIDERATION (Cont'd)

In arriving for the market value of bumi lots, we have adopted a discount of 15% as per Melaka State Government Policy (for selling price more than RM200,000/-). Therefore, the market value after bumi discount range from RM410,000/- to RM440,000/-.

Hence, the total market value of the subject property derived from Indirect Comparison Approach is RM5,230,000/-

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer, lease and free from all encumbrances at RM5,230,000/- (Ringgit Malaysia : Five Million Two Hundred And Thirty Thousand Only).

15. VALUATION CERTIFICATES (Cont'd)



C H Williams Talhar & Wong Sdn Bhd (18149-U)

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Additional Statement

Following the outbreak of COVID-19, Malaysia Government has implemented Movement Control Order (MCO) throughout the whole nation starting 18 March 2020.

The fact that our date of valuation was 31 August 2019 which is prior to the virus outbreak, therefore, we would like to confirm that the market value of the subject properties should remain unchanged.

In the light of this outbreak and MCO, we foresee that the property market in general is likely to experience a slight slow down in the very near future because potential buyers have entered into a wait-and-see state before they are fully convinced to enter into property investment/ transaction after MCO.

However, we are of the view that its impact to the subject properties are relatively minimal/ insignificant since the sale status of the subject properties have been quite promising and we have also allocated certain buffer/ contingency period to the developments while projecting their timeline for completion.

16. STATUTORY AND OTHER INFORMATION**16.1 SHARE CAPITAL**

- (i) As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which rank equally with one another.
- (ii) Save for the Pink Form Allocations as disclosed in Section 4.3.3, as at the date of this Prospectus:
 - (a) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiaries; and
 - (b) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.
- (iii) Save for the new Shares issued and to be issued under the Acquisition and Public Issue as disclosed in Sections 6.2 and 4.3 respectively, no shares of our Company or our subsidiaries have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 2 years immediately preceding the date of this Prospectus.
- (iv) Other than our Public Issue as disclosed in Section 4.3, there is no intention on the part of our Directors to further issue any Shares on the basis of this Prospectus.
- (v) As at the date of this Prospectus, we do not have any outstanding convertible debt securities.

16.2 CHANGES IN SHARE CAPITAL OF OUR SUBSIDIARIES**16.2.1 Teladan Setia**

Teladan Setia's share capital as at LPD is RM3,750,000 comprising 3,750,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			RM
13 April 1993	2	RM2/subscribers' shares	2
30 December 1993	2,099,998	RM2,099,998/cash	2,100,000
15 October 1996	100,000	RM100,000/ cash	2,200,000
19 February 2004	800,000	RM800,000/ cash	3,000,000
9 July 2014	750,000	RM750,000/ cash	3,750,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Teladan Setia. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

16. STATUTORY AND OTHER INFORMATION (Cont'd)

16.2.2 Asal Harta

Asal Harta's share capital as at LPD is RM250,000 comprising 250,000 ordinary shares. The movements in its share capital since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Consideration/ Type of issue</u>	<u>Cumulative share capital</u> <u>RM</u>
16 November 1993	2	RM2/subscribers' shares	2
28 January 1997	99,998	RM99,998/ cash	100,000
29 May 2006	150,000	RM150,000/ cash	250,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Asal Harta. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

16.2.3 Midas

Midas' share capital as at LPD is RM1,000,000 comprising 1,000,000 ordinary shares. The movements in its share capital since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Consideration/ Type of issue</u>	<u>Cumulative share capital</u> <u>RM</u>
11 February 2011	2	RM2/subscribers' shares	2
25 April 2011	999,998	RM999,998/ cash	1,000,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Midas. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

16.2.4 Oriview

Oriview's share capital as at LPD is RM300,000 comprising 300,000 ordinary shares. The movements in its share capital since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Consideration/ Type of issue</u>	<u>Cumulative share capital</u> <u>RM</u>
5 May 1997	2	RM2/subscribers' shares	2
22 September 1997	299,998	RM299,998/ cash	300,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Oriview. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

16. STATUTORY AND OTHER INFORMATION (Cont'd)

16.2.5 Riverwell

Riverwell's share capital as at LPD is RM1,000,000 comprising 1,000,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
21 April 2000	2	RM2/Subscribers' shares	2
30 August 2000	249,998	RM25,000/cash and RM224,998/capitalisation of debts owing	250,000
1 September 2000	250,000	RM250,000/ capitalisation of debts owing	500,000
24 January 2003	225,000	RM225,000/ cash	725,000
22 October 2007	275,000	RM275,000/ cash	1,000,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Riverwell. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

16.3 CONSTITUTION

The following provisions are extracted from our Constitution and are qualified in its entirety by the remainder of the provisions of our Constitution and the applicable law. The terms defined in our Constitution shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

16.3.1 Remuneration, voting and borrowing of Directors

The provision in our Constitution dealing with remuneration, voting and borrowing of Directors are as follows:

(i) Clause 21.3 - Alternate Director

Any Director may from time to time appoint any person (other than a Director) who is approved by a majority of the other Directors to be an alternate Director of the Company, and may at any time remove the alternate Director so appointed by him from office. Any fee paid by the Company to the alternate Director shall be deducted from his appointor's remuneration. An alternate Director shall be entitled to receive notices of and attend all meetings of the Directors, and to vote as a Director at any such meeting at which the Director appointing him is not present, and generally in the absence of his appointer to perform all the functions of his appointer as a Director. An alternate Director may be removed from office by resolution of the Board, and shall ipso facto cease to be an alternate Director if his appointer ceases for any reason to be a Director or becomes bankrupt or unsound mind or on the happening of any event which render him legally disqualified from acting as a Director. All appointments and removals of alternate Directors made by any Director in pursuance of the provisions of this Constitution shall be in writing under the hand of the Director making the same and left at the Office.

16. STATUTORY AND OTHER INFORMATION (Cont'd)

The nomination of an alternate Director may be made in writing and sent by hand, post, facsimile or in any other form or manner, electronic or otherwise, as approved by the Directors, provided that such nomination shall be confirmed within 3 months from the date of such notice by a written nomination complying with the above mentioned requirements, and any act done by the alternate Director nominated in such notice between the date thereof and the date of the receipt within the prescribed period by the Company of the written nomination shall be as valid and effectual as if such alternate Director had been duly appointed in the fit instance, whether such written nomination shall be received by the Company within the prescribed period or not.

(ii) Clause 21.4 - Remuneration

The Directors shall be paid by way of remuneration for their services such fixed sum as shall from time to time be determined by the Company in meeting of Members, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:-

- (a) Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) Salaries payable to executive Directors may not include a commission on or percentage of turnover;
- (c) Fees payable to Directors and any benefits payable to Directors shall be subject to annual member approval by an Ordinary Resolution at a meeting of Members; and
- (d) Any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

(iii) Clause 21.5 – Reimbursement

In addition to the remuneration provided under Clause 21.4, each Director shall be paid such reasonable travelling, hotel and other expenses as he shall incur in attending and returning from meetings of the Directors or any committee of the Directors or meeting of Members or which they may otherwise incur in connection with the business of the Company.

(iv) Clause 22.3 – Remuneration of Managing Director

The remuneration of a Managing Director shall be fixed by the Directors, and may be by way of fixed salary or commission or participation in profits or by any or all of those modes, but shall not include a commission on or percentage of turnover but it may be a term of his appointment that he shall receive pension, gratuity or other benefits upon his retirement.

(v) Clause 23.2 - Directors' borrowing powers

- (a) The Directors may from time to time at their discretion raise or borrow such sums of money as they think proper and may secure the repayment of such sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture stock or any mortgage or guarantee, charge or security on the undertaking of the whole or any part of the property of the

16. STATUTORY AND OTHER INFORMATION (Cont'd)

Company (both present and future), including its uncalled capital for the time being and borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of any subsidiary, associated or other companies or persons. Provided that the Directors shall not issue any debt securities convertible to ordinary shares without the prior approval of the Company in meeting of members.

- (b) Any debentures, debenture stock, bonds or other securities may be issued with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at meeting of members of the Company, appointment of Directors and otherwise.
- (c) If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company in its ordinary course of business, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.
- (d) The Directors shall cause a proper register to be kept in accordance with Section 362 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 352 of the Act as regards the registration of mortgages and charges therein specified or otherwise.

(vi) Clause 23.4 – Directors' pensions

The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director or former Director who has held any other salaried office or place of profit with the Company or to his widow or dependants or relations or connections and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

(vii) Clause 23.11 - Declaration of interest by a Director

A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the Act. Save as by the next following paragraph of this Clause otherwise provided, a Director shall not vote in respect of any contract or arrangement in which he is directly or indirectly interested. The Directors will not be considered as interested in the following circumstances:

- (a) Any arrangement for giving to him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company; or
- (b) Any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
- (c) Any contract by him to subscribe for or underwrite share; or debentures of the Company; or

16. STATUTORY AND OTHER INFORMATION (Cont'd)

- (d) Any contract or arrangement with any other company in which he is interested only as a director or other officer or creditor of or as a shareholder in or beneficially interested in the shares of the Company.

(viii) Clause 23.12 – Relaxation of restriction on voting

A Director, notwithstanding his interest may be counted in the quorum present at any meeting (provided that none of Directors present disagree) whereat he or any other Director is appointed to hold any executive office or other office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment are considered, and he may vote on any such matter other than in respect of his own appointment or the arrangement of the terms thereof.

The provisions of this Clause may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract, arrangement or transaction, and any particular contract arrangement or transaction carried out in contravention of this Constitution may be ratified by Ordinary Resolution of the Company.

(ix) Clause 24.7 - Proceedings of meeting

A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretion by or under this Constitution vested in or exercisable by the Directors generally. Subject to this Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes of the Directors present and each Director having 1 vote and determination by a majority of Directors shall for all purposes deemed as a decision from the Board.

(x) Clause 24.8 - Chairman's casting vote

In case of an equality of votes, the chairman shall have a second or casting vote provided always that the chairman of a meeting at which only 2 Directors form a quorum or at which only 2 Directors are competent to vote on the questions at issue, shall not have a second or casting vote.

(xi) Clause 27.1 - Circular resolution

A circular resolution signed and/or assented to by any means of Electronic Communication by a majority of the Directors entitled to receive notice or meeting of Directors, being not less than sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened; provided that where a Director is not so present but has an alternate who is so present, then such resolution shall also be signed by such alternate. All such resolutions shall be described as "Directors' Resolution in Writing" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by him in the Company's Minutes Book. Any such resolution may consist of several documents in like form, each signed by 1 or more Directors or their alternates.

The expressions "in writing" and "signed" include approval by legible confirmed transmission by facsimile or other forms of Electronic Communications.

16. STATUTORY AND OTHER INFORMATION (Cont'd)

16.3.2 Changes to share capital

The provision in our Constitution dealing with share capital are as follows:

(i) Clause 7.1 - Types of shares

The share capital of the Company is its issued share capital. The shares in the original or any increased capital or any alteration of capital may be divided into several classes and there may be attached thereto respectively any preferred, deferred, qualified or other special rights, privileges, conditions or restrictions whether in regard to dividend, capital, voting or otherwise.

(ii) Clause 7.2 - Issue of shares

No Director shall participate in an issue of shares or options to employees of the Company unless the Members in meeting of Members have approved of the specific allotment to be made to such Director and provided always that he holds office in the Company in an executive capacity.

(iii) Clause 7.10 - Issue of securities

Subject to the Applicable Laws and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must ensure that it shall not issue any shares or convertible securities if the total number of those Shares or convertible Securities, when aggregated with the total number of any such Shares or convertible Securities issued during the preceding 12 months, exceeds 10% of the total number of the issued Shares of the Company, except where the Shares or convertible Securities are issued with the prior approval of the Members in meeting of Members of the precise terms and conditions of the issue. In working out the number of Shares or convertible Securities that may be issued by the Company, if the Security is a convertible security, each such Security is counted as the maximum number of Shares into which it can be converted or exercised.

16.3.3 Transfer of securities

The provision in our Constitution dealing with transfer of securities of our Company are as follows:

(i) Clause 11.1 - Transfer in writing and to be left at the Office

For the purpose of registration of a transfer of Shares that are not Deposited Securities, every instrument of transfer which is executed in accordance with the Applicable Laws, shall be left at the Office together with such fee not exceeding RM3.00 or as the Directors may determine, where a share certificate has been issued for the share to be transferred, the certificate of the Shares and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares, and thereupon the Company shall subject to the powers vested in the Directors by this Constitution register the transferee as the Member within 30 days from receipt of such duly executed and stamped instrument of transfer.

(ii) Clause 11.2 - Transfer of Securities

The transfer of any Deposited Security shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of Deposited Security.

16. STATUTORY AND OTHER INFORMATION (Cont'd)

(iii) Clause 11.3 - Execution

The instrument of transfer of a Share in the Company shall be signed by or on behalf of the transferor and transferee provided that subject to compliance with the SICDA and the Rules, an instrument of transfer in respect of which the transferee is Central Depository shall be effective although not signed by or on behalf of the Central Depository if it has been certified by an authorised depository agent pursuant to Section 18 of the SICDA. Subject to the Applicable Laws, the transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Register of Members in respect thereof.

(iv) Clause 11.4 - Prohibited transfer

Subject to this Constitution, the Rules and except as may be required by the Applicable Laws, there should be no restriction on the transfer of fully paid up Securities in the Company. However, no Securities shall, in any circumstances, be transferred to any infant, bankrupt or person of unsound mind.

(v) Clause 11.5 - Directors may refuse registration of transfer

Subject to the provisions of the Act, the SICDA, the Listing Requirements and the Rules, the Directors may, in their discretion and without assigning any reason therefor, refuse to register, the transfer of any Share, not being a fully paid share, and whether or not the Company claims lien on the same.

(vi) Clause 11.7 - Limitation of liability

Neither the Company nor the Directors nor any of its officers shall incur any liability for authorising or causing the registering or acting upon a transfer of securities apparently made by sufficient parties, although the same may by reason of any fraud or other cause not known to the Company or the Directors or other officers be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although transferred, the transfer may, as between the transferor and the transferee, be liable to be set aside, and notwithstanding that, the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee of the particulars of the Securities transferred, or otherwise in defective manner. In every such case, the person registered as the transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

16.3.4 Rights, preferences and restrictions attached to each class of shares relating to voting, dividend, liquidation and any special rights

The provision in our Constitution in respect of the rights, preferences and restrictions attached to each class of shares relating to voting, dividend and liquidation are as follows:

(i) Clause 15.1 - Company may alter its capital in certain ways

Subject to the Applicable Laws, the Company may from time to time by Ordinary Resolution:

- (a) Consolidate and divide all or any of its share capital into Shares of larger amount than its existing shares;

16. STATUTORY AND OTHER INFORMATION (Cont'd)

- (b) Subdivide its share capital or any part thereof into shares of smaller amount than is fixed by this Constitution by subdivision of its existing shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting shares, 1 or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividends, return of capital, voting or otherwise over the others or any other of such shares;
- (c) Cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled;
- (d) Convert all or any of its issued shares into stock and reconvert that stock into paid up shares; and
- (e) Subject to the provisions of this Constitution and the Act, convert and/or re-classify any class of shares into any other class of shares.

(ii) Clause 15.2 - Power to reduce capital

The Company may by Special Resolution, reduce its share capital in any manner permitted or authorised under and in compliance with the Applicable Laws.

(iii) Clause 15.3 - Purchase of own shares

Subject to the provisions of the Act and/or the Applicable Laws, the Company may, with the sanction of an Ordinary Resolution of the Members in meeting of Members, purchase its own Shares and make payment in respect of the purchase and/or give financial assistance to any person for the purpose of purchasing its own Shares on such date(s), terms and manner as may be determined from time to time by the Directors. Any Shares in the Company so purchased by the Company shall be dealt with in accordance with the Act and/or the Applicable Laws. The provision of Clauses 15.1 and 15.2 hereof shall not affect the power of the Company to cancel any Shares or reduce its share capital pursuant to any exercise of the Company's power under this Clause.

(iv) Clause 16.1 - Increase of share capital

The Company may from time to time, whether all the Shares for the time being issued shall have been fully called up or not, by Ordinary Resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into Shares of such respective amounts and (subject to any special rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any) or to be subject to such conditions or restrictions (if any), in regard to dividend, return of capital, voting or otherwise, as the Company by the resolution authorising such increase may direct.

(v) Clause 16.2 - Preference shares

Subject to the Applicable Laws and this Constitution, any preference shares may with the sanction of an Ordinary Resolution of shareholders in meeting of Members, be issued on terms that they are redeemable and/or convertible or at the option of the Company are liable to be redeemed and/or converted into ordinary shares on such terms and in such manner as may be provided for by this Constitution from time to time.

16. STATUTORY AND OTHER INFORMATION (Cont'd)

(vi) Clause 16.3 - Reservation of right to issue further

If the Company at any time issues preference capital, it shall indicate at the same time whether it reserves the right to issue further preference capital ranking equally with or in priority to preference shares already issued.

(vii) Clause 16.4 - Rights of preference shareholders

- (a) A holder of preference shares must have a right to vote in each of the following circumstances:
 - (aa) When the dividend or part of the dividend on the share is in arrears for more than 6 months;
 - (bb) On a proposal to reduce the Company's share capital;
 - (cc) On a proposal for the disposal of the whole of the Company's property, business and undertaking;
 - (dd) On a proposal that affects the rights and privileges attached to the preference shares;
 - (ee) On a proposal to wind up the Company; and
 - (ff) During the winding up of the Company.
- (b) A holder of preference shares shall be entitled to the same rights as a holder of ordinary shares in relation to receiving notices, reports, audited accounts and attending meetings.
- (c) The Company shall have the power to issue further preference capital ranking equally with, or in priority to, preference shares already issued subject to the observation of the provision in Clause 16.3 thereafter.

(viii) Clause 16.5 - Repayment of preference capital

The repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholders' rights shall only be made pursuant to a Special Resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing obtained from the holders of 75% of the preference capital concerned within 2 months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting.

(ix) Clause 16.6 - Offer of new shares to existing members

Subject to any direction to the contrary that may be given by the Company in meeting of Members, all new shares or other convertible securities shall, before issue, be offered to such persons who as at the date of the offer, are entitled to receive notices from the Company of meetings of Members, in proportion, as nearly as circumstances admit, to the amount of the existing Shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of Shares or Securities offered, and limiting a time within which the offer, if not accepted, shall be deemed to be declined, and, after the expiration of such time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares or Securities offered, the Directors may, subject to this Constitution, dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new Shares or Securities which (by reason of the ratio which the new Shares or Securities bear to Shares or Securities held by persons entitled to an offer of new Shares or Securities), cannot, in the opinion of the Directors, be conveniently, offered under this Constitution.

16. STATUTORY AND OTHER INFORMATION (Cont'd)

(x) Clause 17 – Variation on rights

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of 75% of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that class. To every such separate meeting the provisions of this Constitution relating to meeting of Members shall mutatis mutandis apply so that the necessary quorum shall be 2 persons at least holding or representing by proxy at least 1/3 of the issued shares of the class and that any holder of Shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 292 of the Act shall apply with such adaptations as are necessary.

(xi) Clause 19.6 – Voting by show of hands

On a resolution to be decided on show of hand, a Member who is personally present or by proxy or attorney or by a duly authorised representative and entitled to vote shall be entitled to 1 vote.

(xii) Clause 19.8 – Voting by poll

- (a) Subject to any express requirements under the Listing Requirements, any resolution set out in the notice of any meeting of Members, or in any notice of resolution which may properly be moved and is intended to be moved at any meeting of Members, shall be voted by poll. A poll shall be taken in such manner and either forthwith or after an interval or adjournment or otherwise as the chairman directs and the result of the poll shall be the resolution of the meeting at which the poll was taken, but a poll demanded on the election of chairman or on a question of adjournment shall be taken immediately.
- (b) On a poll, votes may be given either personally or by proxy. A proxy shall be any person appointed by a Member and who shall not necessarily be a Member and such proxy shall be entitled to vote on a poll provided he is the only proxy appointed by the Member. Where a Member entitled to vote on a resolution has appointed more than 1 proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise, the appointment shall not be valid.

16.4 GENERAL INFORMATION

- (i) Save for the dividend paid to the shareholders of Teladan Setia in FYE 2017 to 2019 and FPE 2020 and up to LPD, purchase consideration paid to the Vendors under the Acquisition as disclosed in Section 6.2, purchase consideration paid to Teo Lay Ban for the acquisition of 2.5% equity interest in Riverwell as disclosed in Section 6.5(xi) and Directors' remuneration as disclosed in Section 5.2.4, no other amount or benefit has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be paid or given, to any of our Promoter, Director or substantial shareholder.
- (ii) Save as disclosed in Sections 10.1 and 6.5(xvii) to (xxiii) and (xxvii), none of our Directors or substantial shareholders has any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.

16. STATUTORY AND OTHER INFORMATION (Cont'd)

- (iii) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the summarised details of the procedures for application of our Shares are set out in Section 17.
- (iv) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

16.5 CONSENTS

- (i) The written consents of our Adviser, Sponsor, Underwriter and Placement Agent, Solicitors, Share Registrar, Company Secretaries and Issuing House for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consents of our Auditors and Reporting Accountants for the inclusion in this Prospectus of their names, Accountants' Report and report relating to the pro forma financial information of our Company in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.
- (iii) The written consent of our IMR for the inclusion in this Prospectus of its name and the IMR Report and the extracts of the said report in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.
- (iv) The written consent of our Independent Valuer for the inclusion in this Prospectus of its name and the valuation certificates in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

16.6 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

- (i) Constitution;
- (ii) Audited financial statements of Teladan Setia, Asal Harta, Midas, Oriview and Riverwell for FYE 2017, 2018, 2019 and FPE 2020 and audited financial statements of TSG for FYE 2019 and FPE 2020;
- (iii) Accountants' Report as set out in Section 13;
- (iv) Reporting Accountants' report relating to our pro forma financial information as set out in Section 14;
- (v) IMR Report as set out in Section 8;
- (vi) Material contracts as set out in Section 6.5;
- (vii) Letters of consent as set out in Section 16.5; and

16. STATUTORY AND OTHER INFORMATION (Cont'd)

(viii) Valuation certificates as set out in Section 15 and the valuation reports.

16.7 RESPONSIBILITY STATEMENTS

Our Directors and Promoters have seen and approved this Prospectus, and they collectively and individually accept full responsibility for the accuracy of the information contained herein, and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

M&A Securities acknowledge 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 our IPO.

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17. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THESE SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE DO NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

17.1 OPENING AND CLOSING OF APPLICATION PERIOD

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 23 February 2021

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 2 March 2021

In the event of any changes to the date or time for closing, we will advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

Late Applications will not be accepted.

17.2 METHODS OF APPLICATIONS

17.2.1 Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application Method
Applications by our eligible Directors, employees and business associates/persons who have contributed to the success of our Group	Pink Application Form only
Applications by the Malaysian Public:	
(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Non-Individuals	White Application Form only

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17. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

17.2.2 Placement

Types of Application	Application Method
Applications by:	
(i) Selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.
(ii) Bumiputera investors approved by MITI	MITI will contact the Bumiputera Investors directly. They should follow MITI's instructions.

17.3 ELIGIBILITY

17.3.1 General

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs set out in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS Account must be in your own name. Invalid, nominee or third party CDS Accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

17.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (i) You must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (b) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

17. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iii) You must submit Applications by using only one of the following methods:
 - (a) White Application Form; or
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

17.3.3 Application by eligible Directors, employees and persons who have contributed to the success of our Group

The eligible Directors, employees and persons (including any entities, wherever established) who have contributed to the success of our Group will be provided with Pink Application Forms and letters from us detailing their respective allocation.

17.4 APPLICATION BY WAY OF APPLICATION FORM

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform STRICTLY to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.48 for each IPO Share.

Payment must be made out in favour of **"TIIH SHARE ISSUE ACCOUNT NO. 698"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

- (ii) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at their Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

so as to arrive not later than 5.00 p.m. on 2 March 2021 or by such other time and date specified in any change to the date or time for closing.

17. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

17.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

17.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATION

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

17.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

- (i) reject Applications which:
 - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 17.8 below.

17. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at anytime within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

17.8 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

17.8.1 For applications by way of Application Forms

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

17.8.2 For applications by way of Electronic Share Application and Internet Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting date.

17. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

17.9 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (i) Our IPO Shares allotted to you will be credited into your CDS Account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued / offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

17.10 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at 03-2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at <https://tiih.online>, **one Market Day** after the balloting date.

You may also check the status of your Application at the above website, **five Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

APPENDIX I – LIST OF MATERIAL PROPERTIES

(A) Properties owned by our Group

Details of the material properties in our Group as at LPD are set out below:

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/	Audited NBV as at 30 September 2020
								Market value as at 31 August 2019	RM'000
Property, plant and equipment									
(i)	No. 8, 8-1, 8-2, Jalan Mutiara Melaka 2, Taman Mutiara Melaka, 75350 Batu Berendam, Melaka	Teladan Setia	3 storey shop office/ Office/ Building	Leasehold of 99 years expiring on 17 April 2093 (72 remaining years as at LPD)	0.04/ 4,313	19 August 2019	Nil	217/ No market value ascribed ⁽¹⁾	208
(ii)	C-39-03, 39th Floor, Pangsapuri Atlantis Kota Syahbandar, Jalan KBS 11A, 75200 Melaka	Asal Harta	Penthouse/ Tenanted/ Building	Leasehold of 99 years expiring on 18 May 2105 (84 remaining years as at LPD)	Not applicable/ 2,454	19 January 2018	Nil	916/ No market value ascribed ⁽¹⁾	893

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
Land held for on-going development									
(i)	830 units of service apartments and 18 units of retail shops held under Pajakan Negeri 56839 Lot 12932 in the Town Area VI, District of Melaka Tengah, State of Melaka	Asal Harta	Development into Bali Residences, of which 163 service apartments and 11 retail shops are unsold as at LPD/ Held for development and sale/ Building	Leasehold of 99 years expiring on 18 May 2105 (84 remaining years as at LPD)	3.72/ Not applicable	Not applicable	Charged to Hong Leong Bank Berhad	18,206/ 30,000	26,216
(ii)	64 units of detached house held under: <ul style="list-style-type: none"> • HS(D) 22188 PT 626 to HS(D) 22203 PT 641, • HS(D) 22216 PT 654 to HS(D) 22231 PT 669, • HS(D) 22246 PT 684 to HS(D) 	Teladan Setia ⁽⁴⁾	Development into 64 units of 1 storey detached house in Taman Belimbing Setia, of which 3 are unsold as at LPD/	Freehold	7.29 ⁽⁵⁾ / Not applicable	Not applicable	Nil	1,934/ 8,000	1,112

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
	22259 PT 697, • HS(D) 22268 PT 706 to HS(D) 22285 PT 723, in the Mukim of Belimbing, District of Alor Gajah, State of Melaka		Held for development and sale/ Building						
(iii)	148 units of 1 storey terrace house (20' x 70') held under HS(D) 85819 PT 17855 to HS(D) 85966 PT 18002, and 127 units of 2 storey terrace house (22' x 70') held under HS(D) 85967 PT 18003 to HS(D) 86093 PT 18129, and 114 units of 2 storey semi-detached house	Teladan Setia ⁽⁴⁾	Development into 148 units of 1 storey terrace house, 127 units of 2 storey terrace house and 114 units of 2 storey semi- detached house in Taman Desa Bertam (Phase 2), of which 5 units of 1 storey terrace	Freehold	19.63/ Not applicable	Not applicable	Nil	Not applicable ⁽⁶⁾ / 90,000 ascribed for Taman Desa Bertam Phase 1C, 2, 3 and 4	22,732

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
	(110 units of 40' x 80' and 4 units of 35' x 70') held under HS(D) 86095 PT 18131 to HS(D) 86208 PT 18244, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka		house, 54 units of 2 storey terrace house and 25 units of 2 storey semi-detached house are unsold as at the LPD/ Held for development and sale/ Building						
(iv)	244 units of 2 storey semi-detached house (40' x 80') held under <ul style="list-style-type: none"> • HS(D) 86543 PT 18526 to HS(D) 86578 PT 18561, • HS(D) 86579 PT 18568 to HS(D) 86628 PT 18617, • HS(D) 86701 PT 18618 to HS(D) 	Teladan Setia ⁽⁴⁾	Development into 258 units of 2 storey semi-detached house in Taman Desa Bertam (Phase 3A), of which 167 units of 2 storey semi-detached house are	Freehold	20.06/ Not applicable	Not applicable	Nil	Not applicable ⁽⁶⁾ / 90,000 ascribed for Taman Desa Bertam Phase 1C, 2, 3 and 4	25,059

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
	86723 PT 18640,		unsold as at						
	• HS(D) 86725 PT 18642 to HS(D) 86801 PT 18718,		the LPD/ Held for development and sale/ Building						
	• HS(D) 86802 PT 18721 to HS(D) 86847 PT 18766,								
	• HS(D) 86848 PT 18769 to HS(D) 86859 PT 18780,								
	and								
	14 units of 2 storey semi-detached house (35' x 80') held under								
	• HS(D) 86486 PT 18522 to HS(D) 86489 PT 18525,								
	• HS(D) 86490 PT 18562 to HS(D) 86495 PT 18567,								
	• HS(D) 86500 PT 18719 and HS(D) 86501 PT 18720,								

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Land area (acres)/ Built-up area (sq ft)	Tenure	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
	<ul style="list-style-type: none"> HS(D) 86502 PT 18767 and HS(D) 86503 PT 18768, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka 								

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APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
Land held for future development (with planning permission)									
(i)	186 units of 2 storey semi-detached house (40' x 80') held under	Teladan Setia	Development into 228 units of 2 storey semi-detached house in Taman Desa Bertam (Phase 3B)/ Held for development and sale/ Building	Freehold	38.33/ Not applicable	Not applicable	Nil	Not applicable ⁽⁶⁾ / 90,000	22,601
	<ul style="list-style-type: none"> • HS(D) 86860 PT 18820 to HS(D) 86973 PT 18933, • HS(D) 86629 PT 18934 to HS(D) 86685 PT 18990, • HS(D) 86686 PT 18995 to HS(D) 86700 PT 19009, and 							ascribed for Taman Desa Bertam Phase 1C, 2, 3 and 4	
	4 units of 2 storey semi-detached house (35' x 80') held under								
	<ul style="list-style-type: none"> • HS(D) 86496 PT 18991 to HS(D) 86499 PT 18994, and 								

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
	38 units of 2 storey semi-detached house (50' x 80') held under								
	• HS(D) 86504 PT 18781 to HS(D) 86542 PT 18809,								
	• HS(D) 86512 PT 18810 to HS(D) 86520 PT 18818,								
	in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka								
(ii)	273 units of 1 storey cluster house (35' x 70') held under	Teladan Setia	Development into 273 units of 1 storey cluster house in Taman Desa Bertam (Phase 4)/ Held for development and sale/ Building	Freehold	17.72/ Not applicable	Not applicable	Nil	Not applicable ⁽⁶⁾ / 90,000 ascribed for Taman Desa Bertam Phase 1C, 2, 3 and 4	22,576
	• HS(D) 86211 PT 18247 to HS(D) 86258 PT 18294,								
	• HS(D) 86260 PT 18296 to HS(D) 86327 PT 18429								

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
	<ul style="list-style-type: none"> HS(D) 86394 PT 18430 to HS(D) 86484 PT 18520 								
	<ul style="list-style-type: none"> in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka 								
(iii)	<ul style="list-style-type: none"> 36 parcels of land located within Taman Bertam Putra, Melaka held under <ul style="list-style-type: none"> Geran 62420 Lot 24806 to Geran 62438 Lot 24824 Geran 62449 Lot 24825 to Geran 62452 Lot 24828 Geran 62454 Lot 24829 to Geran 62455 Lot 24830 Geran 62457 Lot 24831 to Geran 62458 Lot 24832 	Midas	Development into 36 units of shop office in Taman Bertam Putra (Phase 2)/ Held for development and sale/ Building	Freehold	1.32/ Not applicable	Not applicable	Nil	907/ 1,700	907

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
	<ul style="list-style-type: none"> Geran 62464 Lot 24833 to Geran 62466 Lot 24835 Geran 62444 Lot 24880 to Geran 62448 Lot 24884 Geran 62453 Lot 24885 								
	all in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka								
(iv)	All that piece of land located along Lebuhi SPA, Melaka held under Geran 6772 Lot 53, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Teladan Setia	Vacant land/ Held for development into Taman Bertam Heights/ Nil	Freehold	166.32/ Not applicable	Not applicable	Charged to Hong Leong Islamic Bank Berhad	89,771/ (2)72,000	100,941

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
Land held for future development (without planning permission)									
(v)	All that piece of land located within Taman Desa Bertam, off Lebuah SPA, Melaka held under Geran 22813 Lot 1137, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Teladan Setia	Vacant land/ Held for development/ Nil	Freehold	14.00/ Not applicable	Not applicable	Charged to Public Bank Berhad	5,026/ (3)6,700	5,026
(vi)	All that piece of land located along Lebuah SPA, Melaka held under Geran 14999 Lot 2308, in the Mukim of Sungei Udang, District of Melaka Tengah, State of Melaka	Teladan Setia	Vacant land/ Held for development/ Nil	Freehold	9.88/ Not applicable	Not applicable	Charged to Public Bank Berhad	3,330/ (3)7,600	3,330
(vii)	All that piece of land located within Taman Desa Bertam, off	Teladan Setia	Vacant land/ Held for development/	Freehold	2.48/ Not applicable	Not applicable	Charged to CIMB Bank Berhad	666/ (3)1,200	666

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
	Lebuh SPA, Melaka held under GM 107 Lot 66, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Nil							
(viii)	All that piece of land located within Taman Desa Bertam, off Lebuh SPA, Melaka held under GM2565 Lot 24668 (formerly known as Lot 36), in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Teladan Setia	Vacant land/ Held for development/ Nil	Freehold	4.82/ Not applicable	Not applicable	Charged to CIMB Bank Berhad	2,071/ (3)1,600	2,071
(ix)	All that piece of land located along Jalan Orkid, off Sungai Besi Expressway, Seri Kembangan,	Teladan Setia	Vacant land / Held for development / Building	Leasehold of 99 years expiring on 28 May 2102 (82 remaining years as at LPD)	3.62/ Not applicable	Not applicable	Charged to United Overseas Bank (Malaysia) Bhd	49,559/ (3)46,000	49,559

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
	Selangor held under PN 114690 Lot 2030 (formerly known as HS(D) 185534 PT 383), in the Pekan Baru Sungai Besi, District of Petaling, State of Selangor								
(x)	All that piece of land located along Jalan Orkid, off Sungai Besi Expressway, Seri Kembangan, Selangor held under PN 118248 Lot 57747 (formerly known as HS(D) 316625 PT 1259), in the Pekan Baru Sungai Besi, District of Petaling, State of Selangor	Teladan Setia	Vacant land / Held for development / Building	Leasehold of 74 years expiring on 20 March 2091 (71 remaining years as at LPD)	1.25/ Not applicable	Not applicable	Charged to United Overseas Bank (Malaysia) Bhd	24,062/ (3)21,000	24,062

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
Completed units held for sale									
Taman Cheng Setia (Phase 6)									
(i)	3 units of 2 storey terrace house of 22' x 65' held under: Geran 45883 Lot 8976, Geran 45881 Lot 8978 and Geran 45880 Lot 8979	Teladan Setia	2 storey terrace house/ Pending for sale/ Building	Freehold	0.40/ 26,761	7 November 2018	Nil	(7)2,200/ 5,230	(7)1,099
all in the Mukim Cheng, District of Melaka Tengah, State of Melaka									
Taman Saujana Heights									
(ii)	2 units of 2 storey bungalow (60' x 100') held under Geran 45431 Lot 7109 and Geran 35670 Lot 7171	Teladan Setia	2 storey semi-detached house and double storey detached house/ Pending for sale/ Building	Freehold	2.12/ 71,838	8 December 2014	Nil	(8)12,847/ 19,870	(8)2,934
all in the Mukim of Bukit Katil, District of Melaka Tengah, State of Melaka									

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
Taman Seri Tuah Permai									
(iii)	23 units of 2 storey shop office (22' x 70') held under:	Teladan Setia	2 storey shop office/ Pending for sale/ Building	Freehold	1.24/ 100,763	19 February 2016	Nil	(9)8,370/ 11,690	(9)6,975
	• Geran 54734 Lot 61937 to Geran 54739 Lot 61942, Geran 54753 Lot 61956, Geran 54754 Lot 61957, Geran 54756 Lot 61959, Geran 54757 Lot 61960, Geran 54759 Lot 61962, Geran 54761 Lot 61964, Geran 54763 Lot 61966, Geran 54764 Lot 61967, Geran 54766 Lot 61969 to Geran 54773 Lot 61976 and Geran 54778 Lot 61981.								

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
Bandar Baru Merlimau									
(iv)	9 units of 2 storey shop office held under Pajakan Mukim 1716 Lot 8759, Pajakan Mukim 1720 Lot 8763 to Pajakan Mukim 1727 Lot 8770, in the Mukim of Merlimau, District of Jasin, State of Melaka	Teladan Setia	2 storey shop office/ Pending for sale/ Building	Leasehold of 99 years expiring on 27 January 2109 (89 remaining years as at LPD)	0.33/ 28,713	30 December 2011	Nil	1,740/ 2,950	1,740
Taman Desa Bertam									
(v)	2 units of 2 storey terrace house (Phase 1A) (24' x 70') held under <ul style="list-style-type: none"> • HS(D) 82528 PT 16700, and • HS(D) 82605 PT 16893, and 1 unit (Bumi lot) of 2 storey terrace house	Teladan Setia	2 storey terrace house/ Pending for sale/ Building	Freehold	0.42/ 29,414	29 July 2019	Nil	(10)2,153/ 4,220	(10)749

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
	(Phase 1B) (22' x 70') held under HS(D) 82796 PT 16364					2019			
	all in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka								
(vi)	3 units of 2 storey terrace house (Phase 1C) held under <ul style="list-style-type: none"> • HS(D) 82376 PT 16449, • HS(D) 82399 PT 16492, and • HS(D) 82412 PT 16505 	Teladan Setia	2 storey terrace house/ Pending for sale/ Building	Freehold	0.29/ 14,434	26 June 2020	Nil	Not applicable / 90,000 ascribed together with Taman Desa Bertam Phase 1C, 2, 3 and 4	609

in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
Atlantis Residences									
(vii)	37 units of serviced apartment held under Master Title Pajakan Negeri 63344 Lot 2307 in the Mukim of Kawasan Bandar XLIV, District of Melaka Tengah, State of Melaka forming part of the development known as "Atlantis Residences"	Asal Harta	Serviced apartments/ Pending for sale/ Building	Leasehold of 99 years expiring on 18 May 2105 (85 remaining years as at LPD)	Not applicable/ 68,019	2 April 2018	10 units of serviced apartment identified as C39-07 & C-39-08, Level 39, Tower C and D39-01 to D39-08, Level 39, Tower D are charged to United Overseas Bank (Malaysia) Bhd pursuant to a specific debenture	20,424/ 23,290	20,536

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
Tajnan Bertam Putra									
(viii)	1 unit of 2 storey terrace house (24' x 80') held under Geran 62592 Lot 25047, and 29 units of 2 storey shop office (22' x 70') held under:	Midas	2 storey terrace house and 2 storey shop office/ Pending for sale/ Building	Freehold	1.22/ 101,806	20 December 2018	Nil	(11)7,768/ 13,690	(11)6,969
	• Geran 62468 Lot 24838 to Geran 62471 Lot 24840,								
	• Geran 62497 Lot 24853 to Geran 62503 Lot 24859,								
	• Geran 62517 Lot 24860,								
	• Geran 62506 Lot 24861,								
	• Geran 62508 Lot 24862,								
	• Geran 62509 Lot 24863,								
	• Geran 62511 Lot 24865,								

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 June 2019/ Market value as at 31 August 2019	Audited NBV as at 30 September 2020
								RM'000	RM'000
•	Geran 62520 Lot 24866,								
•	Geran 62521 Lot 24867,								
•	Geran 62528 Lot 24868 to Geran 62532 Lot 24872,								
•	Geran 62537 Lot 24873,								
•	Geran 62534 Lot 24874, and								
•	Geran 62439 Lot 24875 to Geran 62443 Lot 24879,								

in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka

Notes:

- (1) No valuation was conducted as the NBV of this property as at 30 June 2019 is less than RM1.0 million and it is used as our business premises/accommodation, and as such was deemed immaterial for valuation purposes

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

- (2) The market value as at 31 August 2019 does not account for the value of project as the planning permission was only obtained subsequent to the date of valuation
- (3) The market value as at 31 August 2019 does not account for the development potential
- (4) Land title for properties which have been sold to buyers with end-financing have been/will be transferred to the respective buyers and charged to their respective end-financiers prior to the first drawdown
- (5) Being the aggregate title area of all units under this development. For avoidance of doubt, the area disclosed for this development under Section 7.2.2(b) refers to the site area of the entire project
- (6) The parcels of land originally comprising Taman Desa Bertam Phases 2 to 4 have been approved for development after 30 June 2019, where Phases 2 and 3A have been launched, and Phases 3B and 4 are approved for future development, and as such, the NBV of each phase is not available as at 30 June 2019
- (7) For completed units in Taman Cheng Setia:
- Market value as at 31 August 2019 and NBV as at 30 June 2019 comprises 12 units held under: Geran 45885 Lot 8974, Geran 45884 Lot 8975, Geran 45883 Lot 8976, Geran 45882 Lot 8977, Geran 45881 Lot 8978, Geran 45880 Lot 8979, Geran 45879 Lot 8980, Geran 45878 Lot 8981, Geran 45875 Lot 8984, (Bumi lot), Geran 45874 Lot 8985, (Bumi lot), Geran 45873 Lot 8986 (Bumi lot), and Geran 45872 and Lot 8987 (Bumi lot)
 - NBV as at 30 September 2020 comprises 6 unsold units held under: Geran 45885 Lot 8974, Geran 45883 Lot 8976, Geran 45882 Lot 8977, Geran 45881 Lot 8978, Geran 45880 Lot 8979 and Geran 45878 Lot 8981
- (8) For completed units in Taman Saujana Heights:
- Market value as at 31 August 2019 and NBV as at 30 June 2019 comprises 15 units held under: Geran 42001 Lot 7084, Geran 58351 Lot 31039, Geran 42734 Lot 7096, Geran 45785 Lot 7108, HS(D) 81070 PT 24384, Geran 35648 Lot 7159, Geran 45369 Lot 7146, Geran 45431 Lot 7109, Geran 45374 Lot 7150 (Bumi lot), Geran 45375 Lot 7151, Geran 35655 Lot 7166, Geran 35667 Lot 7169, Geran 35672 Lot 7170, Geran 35670 Lot 7171, and Geran 35665 Lot 7172
 - NBV as at 30 September 2020 comprises 3 unsold units held under Geran 45785 Lot 7108, Geran 45431 Lot 7109, and Geran 35670 Lot 7171.
- (9) For completed units in Taman Seri Tuah Permai:

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

- Market value as at 31 August 2019 and NBV as at 30 June 2019 comprises 30 units held under: Geran 54734 Lot 61937 to Geran 54741 Lot 61944, Geran 54746 Lot 61949, Geran 54750 Lot 61953, Geran 54752 Lot 61955 to Geran 54754 Lot 61957, Geran 54756 Lot 61959, Geran 54757 Lot 61960, Geran 54759 Lot 61962, Geran 54761 Lot 61964 to Geran 54773 Lot 61976 (all Bumi lots), and Geran 54778 Lot 61981 (Bumi lot)
- NBV as at 30 September 2020 comprises 25 unsold units held under Geran 54734 Lot 61937 to Geran 54740 Lot 61943, Geran 54746 Lot 61949, Geran 54753 Lot 61956, Geran 54754 Lot 61957, Geran 54756 Lot 61959, Geran 54757 Lot 61960, Geran 54759 Lot 61962, Geran 54761 Lot 61964, Geran 54763 Lot 61966, Geran 54764 Lot 61967, Geran 54766 Lot 61969 to Geran 54773 Lot 61976 and Geran 54778 Lot 61981 (Bumi lot)

(10)

For completed units in Taman Desa Bertam:

- Market value as at 31 August 2019 and NBV as at 30 June 2019 comprises:
 - 3 units in Phase 1A held under: HS(D) 82528 PT 16700, HS(D) 82585 PT 16873, HS(D) 82605 PT 16893; and
 - 7 units in Phase 1B held under: HS(D) 82790 PT 16358, HS(D) 82796 PT 16364, HS(D) 82807 PT 16374, HS(D) 82828 PT 16396, HS(D) 82832 PT 16400, HS(D) 82849 PT 16415, and HS(D) 82844 PT 16420
- NBV as at 30 September 2020 comprises:
 - 2 units in Phase 1A held under HS(D) 82528 PT 16700 and HS(D) 82605 PT 16893; and
 - 1 unit in Phase 1B held under HS(D) 82796 PT 16364

(11)

For completed units in Taman Bertam Putra:

- Market value as at 31 August 2019 and NBV as at 30 June 2019 comprises:
 - 3 units of 2 storey terrace house held under: Geran 62609 Lot 24986, (Bumi lot), Geran 62618 Lot 24990, (Bumi lot) and Geran 62592 Lot 25047; and
 - 30 units of 2 storey shop office held under: Geran 62468 Lot 24837 (sole Bumi lot) to Geran 62471 Lot 24840, Geran 62497 Lot 24853 to Geran 62503 Lot 24859, Geran 62517 Lot 24860, Geran 62506 Lot 24861, Geran 62508 Lot 24862, Geran 62509 Lot 24863, Geran 62511 Lot 24865, Geran 62520 Lot 24866, Geran 62521 Lot 24867, Geran 62528 Lot 24868 to Geran 62532 Lot 24872, Geran 62537 Lot 24873, Geran 62534 Lot 24874, and Geran 62439 Lot 24875 to Geran 62443 Lot 24879
- NBV as at 30 September 2020 comprises:
 - 1 unit of 2 storey terrace house held under: Geran 62592 Lot 25047; and
 - 29 units of 2 storey shop office held under: Geran 62469 Lot 24838 to Geran 62471 Lot 24840, Geran 62497 Lot 24853 to Geran 62503 Lot 24859, Geran 62517 Lot 24860, Geran 62506 Lot 24861, Geran 62508 Lot 24862, Geran 62509 Lot 24863, Geran 62511 Lot 24865, Geran 62520 Lot 24866, Geran 62521 Lot 24867, Geran 62528 Lot 24868 to Geran 62532 Lot 24872, Geran 62537 Lot 24873, Geran 62534 Lot 24874, and Geran 62439 Lot 24875 to Geran 62443 Lot 24879.

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

In addition to the properties above, as at LPD we also own the following parcels of land for which no valuation was conducted as they were recently purchased.

No.	Title Details or Postal Address	Registered Owner/ Beneficial Owner	Description of property/ Existing use/ Category of land use (if any)	Tenure	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Encumbrances	Audited NBV as at 30 September 2020
(i)	All that piece of land held under Geran 6720 Lot 34, in Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Teladan Setia	Vacant land / Held for development / Nil	Freehold	11.45/ Not applicable	Not applicable	Charged to CIMB Bank Berhad	399
(ii)	All that piece of land held under GM 150 Lot 37, in Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Teladan Setia	Vacant land / Held for development / Nil	Freehold	5.49/ Not applicable	Not applicable	Charged to CIMB Bank Berhad	191
(iii)	All that piece of land held under Geran 12906 Lot 39, in Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Teladan Setia	Vacant land / Held for development / Nil	Freehold	14.95/ Not applicable	Not applicable	Charged to CIMB Bank Berhad	521
(iv)	All that piece of land held under GM 151 Lot 40, in Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka	Teladan Setia	Vacant land / Held for development / Nil	Freehold	5.85/ Not applicable	Not applicable	Charged to CIMB Bank Berhad	204

APPENDIX I – LIST OF MATERIAL PROPERTIES (Cont'd)

(B) Properties rented by our Group

Details of the material properties rented by us as at LPD are set out below:

No.	Postal address	Landlord/ Tenant	Description/ Existing use	Land area (acres)/ Built-up area (sq ft)	Date of issuance of CCC	Period of tenancy/ Rental per annum
(i)	No. 2 & 2-1, Jalan Mutiara Melaka 2, Taman Mutiara Melaka, 75350 Batu Berendam, Melaka	First Machita Sdn Bhd / Teladan Setia	Ground floor and first floor of a 3 storey shop office/ Business office	0.04/ 2,773	19 August 2019	3 years from 9 March 2018 and expiring on 8 March 2021 ⁽¹⁾ / RM30,000
(ii)	No. 6 & 6-1, Jalan Mutiara Melaka 2, Taman Mutiara Melaka, 75350 Batu Berendam, Melaka	Wong Boon Seng @ Wong Siew Chean & Wong Chee Seng / Teladan Setia	Ground floor and first floor of a 3 storey shop office/ Business office	0.04/ 2,773	19 August 2019	3 years from 1 August 2019 and expiring on 31 July 2022 / RM32,400
(iii)	No. 10, Jalan Mutiara Melaka 2, Taman Mutiara Melaka, 75350 Batu Berendam, Melaka	Low Chin & Chong Moy @ Chong Sam Moy / Teladan Setia	Ground floor of a 3 storey shop office/ Business office	0.04/ 1,232	19 August 2019	3 years from 1 July 2018 and expiring on 30 June 2021 / RM32,400
(iv)	No. 33, 33-1, 33-2, Jalan KSB 11, Taman Kota Syahbandar, 75200 Melaka	Liw Chee Yen / Asal Harta	3 storey shop office/ Business office and sales gallery	0.04/ 4,543	25 February 2015	2 years from 1 March 2019 and expiring on 28 February 2021 ⁽²⁾ / RM59,400
(v)	No. 35, 35-1, 35-2, Jalan KSB 11, Taman Kota Syahbandar, 75200 Melaka	Lee Yong Huat / Asal Harta	3 storey shop office/ Business office and sales gallery	0.04/ 4,543	25 February 2015	2 years from 1 March 2019 and expiring on 28 February 2021 ⁽²⁾ / RM59,400

Notes:

- (1) Renewed for 2 years commencing from 9 March 2021 and expiring on 8 March 2023, at the same rent
(2) Renewed for 2 years commencing from 1 March 2021 and expiring on 28 February 2023 at revised rent per annum of RM60,000

APPENDIX II – LIST OF MAJOR LICENCES AND PERMITS

As at LPD, there are no other major approvals, major licences and permits issued to our Group in order for us to carry out our operations other than those disclosed below:

No.	Licensee	Issuing authority/ Registration no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
(i)	Teladan Setia	MHLG / 7305-20/12-2020/03421 (L) & 7305-20/12-2020/03421 (P)	31 December 2019/ 30 December 2021	APDL for the development of 133 units and 64 units of single storey detached house on Lot Nos. PT596 - PT598, in the Mukim of Belimbing, District of Alor Gajah, State of Melaka known as "Taman Belimbing Setia"	<u>Housing Developer Licence</u> 1. The developer is prohibited from offering "Interest Capitalisation Scheme" package including "Developer Interest Bearing Scheme (DIBS)" or other similar scheme. 2. The developer must give priority to first house buyer for houses priced below RM300,000. 3. The developer must ensure that the surrounding of the housing development approved in this licence fulfils the requirements imposed under Section 11, Destruction of Disease-Bearing Insects Act 1975 and Guidelines in respect of Control of Aedes Mosquito at Construction Site.	Complied
					<u>Advertising and Sale Permit</u> 1. The developer must display the selling price in detail, including all special items, services and payment offered to the purchasers. 2. The purchaser is entitled to reject or refuse to accept the developer's offer in the form of special item, services and payment, where the developer must reduce such value from the selling price. 3. Developers who intend to make bulk sale for more than 4 units of houses to an individual/company must register the relevant purchaser with Housing Controller within 14	Complied

APPENDIX II – LIST OF MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee	Issuing authority/ Registration no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
(ii)	Teladan Setia	MHLG/ 7305-23/03-2021/01896(L) & 7305-23/03-2021/01896(P)	26 March 2020/ 25 March 2021	APDL for the development of 32 and 128 units of double storey cluster house on Lot No. PT817 in the Mukim of Belimbing, District of Alor Gajah, State of Melaka known as "Taman Belimbing Setia"	<p>days from the date of execution of the sale and purchase agreement.</p> <p>4. A copy of the plan approved by the Local Authority must be submitted with the Sale and Purchase Agreement in accordance with Regulation 11, Housing Development (Control and Licensing) Regulations (Amendment) 2015 in the form of hardcopy of A0 or A1 size; or in the form of soft copy (pdf format) by using compact disc or other appropriate electronic media.</p> <p>The developer must use the sale and purchase agreements in the prescribed form of Schedule G, H, I, J of the Housing Development (Control and Licensing) Regulations (Amendment) 2015.</p>	Complied
					<p><u>Housing Developer Licence:</u></p> <ol style="list-style-type: none"> The developer is prohibited from offering "Interest Capitalisation Scheme" package including "Developer Interest Bearing Scheme (DIBS)" or other similar scheme. The developer must give priority to first house buyer for houses priced below RM300,000. The developer must ensure that the surrounding of the housing development approved in this licence fulfils the requirements imposed under Section 11, Destruction of Disease-Bearing Insects Act 1975 and Guidelines in respect of Control of Aedes 	

APPENDIX II – LIST OF MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee	Issuing authority/ Registration no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
					Mosquito at Construction Site.	
					<p><u>Advertising and Sale Permit:</u></p> <ol style="list-style-type: none"> The developer must display the selling price in details, including all special items, services and payment offered to the purchasers. The purchaser is entitled to reject or refuse to accept the developer's offer in the form of special item, services and payment, where the developer must reduce such value from the selling price. Developers who intend to make bulk sale for more than 4 units of houses to an individual/company must register the relevant purchaser with Housing Controller within 14 days from the date of execution of the sale and purchase agreement. A copy of the plan approved by the Local Authority must be submitted with the Sale and Purchase Agreement in accordance with Regulation 11, Housing Development (Control and Licensing) Regulations (Amendment) 2015 in the form of hardcopy of A0 or A1 size; or in the form of soft copy (pdf format) by using compact disc or other appropriate electronic media. 	Complied

The developer must use the sale and purchase agreements in the prescribed form of Schedule G, H, I, J of the Housing Development (Control and

APPENDIX II – LIST OF MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee	Issuing authority/ Registration no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
(iii)	Teladan Setia	MHLG/ 7305-26/04-2021/0345(L)/7305-26/04-2021/0345(P)	18 April 2019/ 17 April 2021	APDL for the development of 77 units of 1.5 storey terrace house on Lot Nos. 9931-9961, 9974-9984 & 9997-10031, Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka known as "Taman Bertam Setia"	<p>Licensing) Regulations (Amendment) 2015.</p> <p><u>Housing Developer Licence:</u></p> <ol style="list-style-type: none"> The developer is not allowed to offer "Interest Capitalisation Scheme" package or other similar scheme including "Developer Interest Bearing Scheme (DIBS)". The developer must give priority to first house buyer for houses priced below RM300,000. The developer must ensure that the surrounding of the housing development approved in this licence fulfils the requirements imposed under Section 11, Destruction of Disease-Bearing Insects Act 1975 and Guidelines in respect of Control of Aedes Mosquito at Construction Site. The developer must submit the application to renew the APDL at least 60 days prior to the expiry of the existing APDL. 	Complied
					<p><u>Advertising and Sale Permit:</u></p> <ol style="list-style-type: none"> The developer must display the selling price in details, including all incentives offered in the form of special items, services and payment offered to the purchasers. If the developer offers any incentives in the form of items, services or payment and the purchaser elects to reject the developer's offer, the developer must reduce such value from the selling price. 	Complied

APPENDIX II – LIST OF MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee	Issuing authority/ Registration no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
(iv)	Teladan Setia	7305-25/05-2021/02282(L)/ 7305-25/05-2021/02282(P)	26 May 2020/ 25 May 2021	APDL for the development of 135 units of double storey terrace house, 390 units of double storey terrace house, 55 units of single storey cluster house and 193 units of single storey terrace house on Lot	<p>3. Developers who intend to make bulk sale of more than 4 units of houses to an individual/company must register the relevant purchaser with the Housing Controller within 14 days from the date of execution of the sale and purchase agreement.</p> <p>4. A copy of the plan approved by the Local Authority must be submitted with the Sale and Purchase Agreement in accordance with Regulation 11, Housing Development (Control and Licensing) Regulations 1989 in the form of hardcopy of A0 or A1 size or in the form of soft copy (pdf format) by using compact disc or other appropriate electronic media.</p> <p>The developer must use the sale and purchase agreements (Schedule G, H, I, J) in the new format as amended pursuant to the Housing Development (Control and Licensing) Regulations (Amendment) 2015 unless the APDL is approved prior to 1 June 2015 with compliance of Regulation 14 in the said Regulation.</p>	Complied
					<p><u>Housing Developer Licence:</u></p> <p>1. The developer is prohibited from offering "Interest Capitalisation Scheme" package or other similar scheme including "Developer Interest Bearing Scheme (DIBS)".</p> <p>2. The developer must give priority to first house buyer for houses priced below RM300,000.</p>	

APPENDIX II – LIST OF MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee	Issuing authority/ Registration no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
				Nos. 57 & 38, in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka known as "Taman Desa Bertam"	3. The developer must ensure that the surrounding of the housing development approved in this licence fulfils the requirements imposed under Section 11, Destruction of Disease-Bearing Insects Act 1975 and Guidelines in respect of Control of Aedes Mosquito at Construction Site.	Complied
					<p><u>Advertising and Sale Permit:</u></p> <ol style="list-style-type: none"> <li data-bbox="507 1485 534 1592">1. The developer must display the selling price in details, including all incentives offered in the form of special items, services and payment to the purchasers. <li data-bbox="507 1592 534 1700">2. The purchaser is entitled to reject or refuse to accept the incentives offered by the developer in the form of items, services and payment, where the developer must reduce such value from the selling price. <li data-bbox="507 1700 534 1807">3. Developers who intend to make bulk sale of more than 4 units of houses to an individual/company must register the relevant purchaser with the Housing Controller within 14 days from the date of execution of the sale and purchase agreement, with effect from 16 May 2014. <li data-bbox="507 1807 534 1915">4. A copy of the plan approved by the Local Authority must be submitted with the Sale and Purchase Agreement in accordance with Regulation 11, Housing Development (Control and Licensing) Regulations (Amendment) 2015 	Complied

APPENDIX II – LIST OF MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee	Issuing authority/ Registration no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
(v)	Teladan Setia	7305-27/06-2022/0330(L) & 7305-27/06-2022/0330(P)	10 June 2020/ 9 June 2022	APDL for the development of 148 units of single storey terrace house, 127 units of double storey terrace house and 114 units of double storey semi-detached house on PT 17097, Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka known as "Taman Desa Bertam"	<p>The developer must use the sale and purchase agreements in the prescribed form of Schedule G, H, I, J of the Housing Development (Control and Licensing) Regulations (Amendment) 2015.</p> <p>If there is no Sale and Purchase Agreement being stamped within 2 years from the date of the APDL, the APDL will automatically be revoked.</p> <p><u>Housing Developer Licence:</u></p> <ol style="list-style-type: none"> The developer is prohibited from offering "Interest Capitalisation Scheme" package or other similar scheme including "Developer Interest Bearing Scheme (DIBS)". The developer must give priority to first house buyer for houses priced below RM300,000. The developer must ensure that the surrounding of the housing development approved in this licence fulfils the requirements imposed under Section 11, Destruction of Disease-Bearing Insects Act 1975 and Guidelines in respect of Control of Aedes Mosquito at Construction Site. The developer must submit the application to renew the APDL at least 60 days prior to the 	Complied

APPENDIX II – LIST OF MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee	Issuing authority/ Registration no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
					<p>expiry of the existing APDL.</p> <p><u>Advertising and Sale Permit:</u></p> <ol style="list-style-type: none"> <li data-bbox="504 1061 544 1494">1. The developer must display the selling price in details, including all incentives offered in the form of special items, services and payment to the purchasers. <li data-bbox="560 1061 600 1494">2. The purchaser is entitled to reject or refuse to accept the incentives offered by the developer in the form of items, services and payment, where the developer must reduce such value from the selling price. <li data-bbox="616 1061 655 1494">3. Developers who intend to make bulk sale of more than 4 units of houses to an individual/company must register the relevant purchaser with the Housing Controller within 14 days from the date of execution of the sale and purchase agreement. <li data-bbox="671 1061 711 1494">4. A copy of the plan approved by the Local Authority must be submitted with the Sale and Purchase Agreement in accordance with Regulation 11, Housing Development (Control and Licensing) Regulations (Amendment) 2015 in the form of hardcopy of A0 or A1 size; or in the form of soft copy (pdf format) by using compact disc or other appropriate electronic media. 	

The developer must use the sale and purchase agreements in the prescribed form of Schedule G, H,

APPENDIX II – LIST OF MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee	Issuing authority/ Registration no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
(vi)	Teladan Setia	7305-28/08-2022/0500(L) & 7305-28/08-2022/0500(P)	12 August 2020/ 11 August 2022	APDL for the development of 486 units of double storey semi-detached house on PT 17098, Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka known as "Taman Desa Bertam"	<p>If there is no Sale and Purchase Agreement being stamped within 2 years from the date of the APDL, the APDL will automatically be revoked.</p> <p><u>Housing Developer Licence:</u></p> <ol style="list-style-type: none"> The developer is prohibited from offering "Interest Capitalisation Scheme" package or other similar scheme including "Developer Interest Bearing Scheme (DIBS)". The developer must give priority to first house buyer for houses priced below RM300,000. The developer must ensure that the surrounding of the housing development approved in this licence fulfils the requirements imposed under Section 11, Destruction of Disease-Bearing Insects Act 1975 and Guidelines in respect of Control of Aedes Mosquito at Construction Site. The developer must submit the application to renew the APDL at least 60 days prior to the expiry of the existing APDL. 	Complied

Advertising and Sale Permit:

- The developer must display the selling price in details, including all incentives offered in the

Complied

APPENDIX II – LIST OF MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee	Issuing authority/ Registration no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
					form of special items, services and payment to the purchasers.	
2.					The purchaser is entitled to reject or refuse to accept the incentives offered by the developer in the form of items, services and payment, where the developer must reduce such value from the selling price.	
3.					Developers who intend to make bulk sale of more than 4 units of houses to an individual/company must register the relevant purchaser with the Housing Controller within 14 days from the date of execution of the sale and purchase agreement.	
4.					A copy of the plan approved by the Local Authority must be submitted with the Sale and Purchase Agreement in accordance with Regulation 11, Housing Development (Control and Licensing) Regulations (Amendment) 2015 in the form of hardcopy of A0 or A1 size; or in the form of soft copy (pdf format) by using compact disc or other appropriate electronic media.	

The developer must use the sale and purchase agreements in the prescribed form of Schedule G, H, I, J of the Housing Development (Control and Licensing) Regulations (Amendment) 2015, except for APDL approved prior to 1 June 2015 which complies with Regulation 14 of the said Regulations.

APPENDIX II – LIST OF MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee	Issuing authority/ Registration no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
(vii)	Asal Harta	MHLG /13504-3/08-2021/02624(L) & 13504-3/08-2021/02624(P)	9 August 2020/ 8 August 2021	APDL for the development of 2 serviced apartments of 39 storey comprising 415 units each on Lot No. 12932, in the Mukim of Bandar Melaka, District of Melaka Tengah, State of Melaka known as "Residensi Mutiara Bali, Kota Syahbandar"	<p><u>Housing Developer Licence:</u></p> <ol style="list-style-type: none"> The developer is prohibited from offering "Interest Capitalisation Scheme" package including "Developer Interest Bearing Scheme (DIBS)" or other similar scheme. The developer must give priority to first house buyer for houses priced below RM300,000. The developer must ensure that the surrounding of the housing development approved in this licence fulfils the requirements imposed under Section 11, Destruction of Disease-Bearing Insects Act 1975 and Guidelines in respect of Control of Aedes Mosquito at Construction Site. 	Complied

Advertising and Sale Permit:

Complied

- The developer must display the selling price in details, including all special items, services and payment offered to the purchasers.
- The purchaser is entitled to reject or refuse to accept the developer's offer in the form of special item, services and payment, where the developer must reduce such value from the selling price.
- Developers who intend to make bulk sale for more than 4 units of houses to an individual/company must register the relevant purchaser with Housing Controller within 14 days from the date of execution of the Sale and

APPENDIX II – LIST OF MAJOR LICENCES AND PERMITS (Cont'd)

No.	Licensee	Issuing authority/ Registration no.	Date of issue / Date of expiry	Licences/ Nature of approval	Equity and/or major conditions imposed	Compliance status
4.					<p>Purchase Agreement.</p> <p>A copy of the plan approved by the Local Authority must be submitted with the sale and purchase agreement in accordance with Regulation 11, Housing Development (Control and Licensing) Regulations (Amendment) 2015 in the form of hardcopy of A0 or A1 size; or in the form of soft copy (pdf format) by using compact disc or other appropriate electronic media.</p>	
					<p>The developer must use the sale and purchase agreements in the prescribed form of Schedule G, H, I, J of the Housing Development (Control and Licensing) Regulations (Amendment) 2015.</p>	

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DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (ACCOMPANYING THE ELECTRONIC PROSPECTUS)

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

1. OPENING AND CLOSING OF APPLICATION

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 23 February 2021

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 2 March 2021

Applications for our IPO Shares will open and close at the times and dates stated above. In the event of any changes to the date or time for closing, we will advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia. The dates for the ballot of the applications for our IPO Shares, the allotment of our IPO Shares and our Listing would then be extended accordingly.

Late Applications will not be accepted.

2. METHODS OF APPLICATIONS

Applications must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that your Application will succeed. You agree to be bound by our Constitution.

2.1 Retail Offering

Types of Application and category of investors	Application Method
Applications by eligible Directors, employees and persons who have contributed to the success of our Group	Pink Application Form only
Applications by the Malaysian Public:	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

2.2 Placement

Types of Application	Application Method
Applications by:	
(a) Selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.

Types of Application	Application Method
(b) Bumiputera Investors approved by MITI	MITI will contact the Bumiputera Investors directly. They should follow MITI's instructions.

3. ELIGIBILITY

3.1 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (i) You must have a CDS account. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs listed in Section 12 below.
- (ii) You must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares with a Malaysian address; or
 - (b) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (iii) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iv) You must submit an Application by using only one of the following methods:
 - (a) White Application Form; or
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

3.2 Application by 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 will be provided with Pink Application Forms and letters from us detailing their respective allocations. The applicants must follow the notes and instructions in those documents and where relevant, of our Prospectus.

The eligible Directors, employees and persons who have contributed to the success of our Group who apply for our IPO Shares must have a CDS account and a correspondence address in Malaysia.

You agree that any application which you make for our IPO Shares is irrevocable.

4. PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

Each application for our IPO Shares must be made using the correct type of Application Form. The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

The Malaysian Public must follow the following procedures in making their applications through the White Application Form.

- a) Obtain the relevant Application Form together with the Official "A" and "B" envelopes and our Prospectus.

The **White** Application Forms together with our Prospectus, can be obtained subject to availability from M&A Securities Sdn Bhd, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia or Malaysian Investment Banking Association and the Issuing House.

- b) In accordance with Section 232(2) of the CMSA, the Application Forms are accompanied by our Prospectus. You are advised to read and understand our Prospectus before making your Application.
- c) Complete the relevant Application Form legibly and **STRICTLY** in accordance with the notes and instructions printed on it and in our Prospectus, including:
 - (i) Ensuring that your personal particulars submitted in your Application are identical with the records maintained by Bursa Depository. You are required to inform Bursa Depository promptly of any changes to your personal particulars as the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.
 - (ii) Stating your CDS account number in the space provided in the Application Form. Invalid or nominee or third party CDS accounts will **not** be accepted.
 - (iii) Stating the details of your payment in the appropriate boxes provided in the Application Form.
 - (iv) Stating the number of shares applied. Applications must be for at least 100 IPO Shares or multiples of 100 IPO Shares.

- d) Prepare the appropriate form of payment in RM for the FULL amount payable based on the IPO Price of RM0.48 for each IPO Share.

Payment must be made out in favour of "**TIIH SHARE ISSUE ACCOUNT NO. 698**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Only Banker's Draft or Cashier's Order drawn on a bank in Kuala Lumpur, Money or Postal Orders (Sabah and Sarawak only) and Guaranteed Giro Order from Bank Simpanan Nasional Malaysia Berhad will be accepted.

We will not accept Applications with excess or insufficient remittances or inappropriate forms of payment. Remittances must be completed in the appropriate boxes provided in the Application Forms.

- e) Insert the relevant Application Form together with payment and a legible photocopy of your identification document (NRIC or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable)) into the Official "A" envelope and seal it. You must write your name and address on the outside of the Official "A" and "B" envelopes.

Affix RM1.50 stamp on the Official "A" envelope and insert the Official "A" envelope into the Official "B" envelope.

The name and address written must be identical to your name and address as in your NRIC or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable).

- f) Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods: -

- (i) despatch by **ORDINARY POST** in the official envelopes provided to the following address:

Tricor Investor & Issuing House Services Sdn Bhd (*197101000970 (11324-H)*)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

- (ii) **DELIVER BY HAND AND DEPOSIT**

in the drop-in boxes provided at their Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

so as to arrive not later than 5.00 p.m. on 2 March 2021 or by such other time and date specified in any change to the date or time for closing. We will not accept late Applications.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

5. APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

5.1 Participating Financial Institutions

Malaysian individuals may apply for our IPO Shares through the ATM of the following Participating Financial Institutions and their branches. The following processing fee for each Electronic Share Application will be charged by the respective Participating Financial Institutions (unless waived) as follows:

Participating Financial Institutions	Charges
Affin Bank Berhad	Free
Alliance Bank Malaysia Berhad	RM1.00
AmBank (M) Berhad	RM1.00
CIMB Bank Berhad	RM2.50
Malayan Banking Berhad	RM1.00
Public Bank Berhad	RM2.00
RHB Bank Berhad	RM2.50

Please note that these processing fees may be varied or waived from time to time at the discretion of the respective Participating Financial Institutions. Please contact the relevant Participating Financial Institutions for further enquiries.

5.2 Procedures for Electronic Share Application

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions

PLEASE READ THE TERMS OF OUR PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR ELECTRONIC SHARE APPLICATIONS SET OUT BELOW AND AT THE RESPECTIVE ATM CAREFULLY PRIOR TO MAKING AN ELECTRONIC SHARE APPLICATION.

If you encounter any problems in your Application, you may refer to the respective Participating Financial Institutions.

You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for our IPO Shares at an ATM belonging to other Participating Financial Institutions;

You are to submit at least the following information through the ATM, where the instructions on the ATM screen require you to do so:-

- Personal Identification Number (“**PIN**”);
- TIIH Share Issue Account No. 698;
- Your CDS account number;
- Number of IPO Shares applied for and the RM amount to be debited from the account; and
- Confirmation of several mandatory statements as set out in Section 5.3 below.

Upon the completion of your Electronic Share Application transaction at the ATM, you will receive a computer-generated transaction slip (“**Transaction Record**”), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or the Issuing House. The Transaction Record is for your records and should not be submitted with any Application Form.

5.3 Terms and Conditions for Electronic Share Application

You must have a CDS account to be eligible to use the Electronic Share Application. Invalid, nominee or third party CDS accounts will not be accepted.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE ABOVE.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:-

- (i) The Electronic Share Application shall be made in relation to and subject to the terms of our Prospectus and our Company’s Constitution.
- (ii) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:-
 - (a) You are at least 18 years old as at the date of the application for our IPO Shares;
 - (b) You are a Malaysian citizen residing in Malaysia;
 - (c) You have read our Prospectus and understood and agreed with the terms and conditions of the Application;
 - (d) The Electronic Share Application is the only application that you are submitting for our IPO Shares offered to the Malaysian Public; and
 - (e) You consent to the disclosure by the Participating Financial Institution and Bursa Depository of information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the Issuing House and other relevant authorities.

Your Application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, it is considered that you have confirmed each of the above statements as well as given consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Services Act, 2013 and Section 45 of SICDA) to the disclosure by the relevant Participating Financial Institutions or Bursa Depository, as the case may be, of any of your particulars to the Issuing House or any relevant authorities.

- (iii) You confirm that you are not applying for our IPO Shares offered to the Malaysian Public as a nominee of any other person and that the Electronic Share Application that you make is made by you as the beneficial owner. You shall only make one Electronic Share Application and shall not make any other application for our IPO Shares offered to the Malaysian Public.
- (iv) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time the Electronic Share Application is made, failing which the Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.
- (v) You agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated in the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate a lesser number of such IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated keys or buttons on the ATM keyboard) of the number of IPO Shares applied for shall signify, and shall be treated as, your acceptance of the number of IPO Shares that may be allotted or allocated to you and your acceptance to be bound by our Constitution.
- (vi) the Issuing House, on the authority of our Board, reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in whole or in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating our IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.
- (vii) You request and authorise us:-
 - (a) to credit our IPO Shares allotted or allocated to you into your CDS account; and
 - (b) to issue share certificate(s) representing such IPO Shares or jumbo certificates which represent, amongst others, such IPO Shares, allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (viii) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond our control or the control of the Issuing House, Bursa Depository or the Participating Financial Institution, and irrevocably agree that if:-

- (a) our Company or the Issuing House does not receive your Electronic Share Application; or
- (b) the data relating to your Electronic Share Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company or the Issuing House,

you shall be deemed not to have made an Electronic Share Application and shall not make any claim whatsoever against our Company, the Issuing House or the Participating Financial Institution for our IPO Shares applied for or for any compensation, loss or damage.

- (ix) All of your particulars in the records of the relevant Participating Financial Institution at the time of making the Electronic Share Application shall be deemed to be true and correct, and our Company, the Issuing House and the relevant Participating Financial Institution shall be entitled to rely on their accuracy.
- (x) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application will be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allotment will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (xi) By making and completing an Electronic Share Application, you agree that:-
 - (a) in consideration of us agreeing to allow and accept the application for our IPO Shares through the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;
 - (b) we, the Participating Financial Institutions, Bursa Depository and the Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our or the control of any of them;
 - (c) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of your offer to subscribe for and purchase our IPO Shares for which the Electronic Share Application has been successfully completed shall be constituted by the issue of notices of allotment in respect of the said IPO Shares;
 - (d) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounce any instrument of transfer and other documents required for the issue or transfer of our IPO Shares allotted or allocated to you; and
 - (e) you agree that in relation to any legal action, proceedings or disputes arising out of or in relation to the contract between the parties and / or the Electronic Share Application and / or any terms of our Prospectus, all rights, obligations and liabilities of the parties shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies of Malaysia and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

- (xii) the Issuing House, acting on the authority of our Board reserves the right to reject Applications which do not conform to these instructions.

6. APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

6.1 Internet Participating Financial Institutions

Applications for our IPO Shares by the Malaysian Public Individuals may be made through the Internet financial services website of the Internet Participating Financial Institutions.

YOU ARE ADVISED NOT TO APPLY FOR OUR IPO SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

Internet Participating Financial Institution	Website address	Fees charged
Affin Bank Berhad	www.affinOnline.com	Free
Alliance Bank Malaysia Berhad	www.allianceonline.com.my	RM1.00
CGS-CIMB SECURITIES SDN BHD	www.eipocimb.com	RM2.00 for payment through CIMB Bank Berhad or Malayan Banking Berhad
CIMB Bank Berhad	www.cimbclicks.com.my	RM2.00 for applicants with CDS Accounts held with CGS-CIMB SECURITIES SDN BHD and RM2.50 for applicants with CDS Accounts with other ADAs
Malayan Banking Berhad	www.maybank2u.com.my	RM1.00
RHB Bank Berhad	www.rhbgroup.com	RM2.50
Public Bank Berhad	www.pbepbank.com	RM2.00

Please note that these fees may be varied or waived from time to time at the discretion of the respective Internet Participating Financial Institutions. Please contact the relevant Internet Participating Financial Institutions for further enquiries.

PLEASE READ THE TERMS OF OUR PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR INTERNET SHARE APPLICATIONS SET OUT BELOW AND AT THE INTERNET FINANCIAL SERVICES WEBSITE OF THE RESPECTIVE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.

If you encounter any problems in your Application, you may refer to the respective Internet Participating Financial Institutions.

6.2 Terms and Conditions for Internet Share Application

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

An Internet Share Application shall be made on and subject to the following terms and conditions:

- (i) You can make an Internet Share Application if you fulfill all of the following:
 - (a) You are an individual with a CDS Account and in the case of a joint account, an individual CDS Account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS Account registered in the joint account holder's name;
 - (b) You have an existing account with access to Internet financial services facilities with an Internet Participating Financial Institution. You must have your user identification ("User ID") and Personal Identification Numbers ("PIN")/password for the relevant Internet financial services facilities; and
 - (c) You are a Malaysian citizen and have a mailing address in Malaysia.

You are advised to note that a User ID and PIN/password issued by one of the Internet Participating Financial Institutions cannot be used to apply for our IPO Shares at Internet financial service websites of other Internet Participating Financial Institutions.
- (ii) An Internet Share Application shall be made on and subject to the terms of our Prospectus and our Company's Constitution.
- (iii) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the Internet financial services website of the Internet Participating Financial Institution) and to undertake that the following information given are true and correct:
 - (a) You are at least 18 years old as at the date of the application for our IPO Shares;
 - (b) You are a Malaysian citizen residing in Malaysia;

- (c) You have, prior to making your Internet Share Application, received and/or have had access to a printed/electronic copy of our Prospectus, the contents of which you have fully read and understood;
 - (d) You agree to all the terms and conditions of the Internet Share Application as set out in our Prospectus and have carefully considered the risk factors as well as all other information and statements set out in our Prospectus, before making your Internet Share Application;
 - (e) Your Internet Share Application is the only application that you are submitting for our IPO Shares offered to the Malaysian Public;
 - (f) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for our IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;
 - (g) You give express consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Service Act, 2013 and Section 45 of SICDA) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of your information, your Internet Share Application or your account with the Internet Participating Financial Institution, to our Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
 - (h) You are not applying for our IPO Shares as a nominee of any other person and your Internet Share Application is made in your own name, as beneficial owner and subject to the risks referred to in our Prospectus;
 - (i) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company, Bursa Securities or other relevant parties in connection with our IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with our IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (iv) Your Application will not be successfully completed and cannot be recorded as a completed application unless you have paid for our IPO Shares through the website of the Authorised Financial Institution and completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen.

For the purposes of our Prospectus, "Confirmation Screen" shall mean the screen which appears or is displayed on the Internet financial services website, which confirms that your Internet Share Application has been completed and states the details of your Internet Share Application, including the number of IPO Shares applied for which you can print out for your records.

Upon the display of the Confirmation Screen, you will be deemed to have confirmed the truth of the statements set out in Section 6.2 (iii) above. The Confirmation Screen is only a record of the completed transaction with an Internet Participating Financial Institution and not a record of the receipt of the Internet Share Application or any data relating to such an Internet Share Application by our Company or the Issuing House. The Confirmation Screen is for your record and should not be submitted with any Application Form.

- (v) You must have sufficient funds in your account with the Internet Participating Financial Institution or the Authorised Financial Institution at the time of making your Internet Share Application, to cover and pay for our IPO Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which your Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not conform strictly to the instructions set out in our Prospectus or any instructions displayed on the screens of the Internet financial services website through which the Internet Share Application is made shall be rejected.
- (vi) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Internet Share Application. In the event that we decide to allot or allocate lesser number of such Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final.

In the course of completing your Internet Share Application on the website of the Internet Participating Financial Institution, your confirmation of the number of IPO Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:

- (a) Your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and
 - (b) Your agreement to be bound by the Constitution of our Company.
- (vii) You are fully aware that multiple or suspected multiple Internet Share Applications for our IPO Shares will be rejected. **A PERSON WHO SUBMITS MULTIPLE INTERNET SHARE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.** Our Company reserves the right to reject any Internet Share Application or accept any Internet Share Application in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating the Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.

- (viii) An Internet Share Application is deemed to be received only upon its completion, which is when the Confirmation Screen is displayed on the Internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for reference and record purposes. Late Internet Share Applications will not be accepted.
- (ix) You acknowledge that your Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, and other events beyond the control of the Internet Participating Financial Institution, the Authorised Financial Institution, the Issuing House and our Company and irrevocably agree that if:
 - (a) our Company, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or payment; and
 - (b) any data relating to your Internet Share Application or the tape or any other devices containing such data and/or payment is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever,

you will be deemed not to have made an Internet Share Application and you will not make any claim whatsoever against our Company, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution in relation to our IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.

- (x) All of your particulars in the records of the relevant Internet Participating Financial Institution at the time of your Internet Share Application shall be deemed to be true and correct, and we, the Issuing House, the Internet Participating Financial Institutions and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

You must ensure that your personal particulars as recorded by both Bursa Depository and the Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Share Application will be rejected. The notification letter on successful allotment will be sent to your last address maintained with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institution and Bursa Depository of any changes in your personal particulars that may occur from time to time.

7. AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

Your Application will be selected in a manner to be determined by our Board. Due consideration will be given to the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares. The Issuing House, on the authority of our Board reserves the right to:-

- (i) reject Applications which:-

- (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up or improper form of remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), by
- (a) ordinary post through the self-addressed and stamped Official "A" envelope which you have provided to the Issuing House;
 - (b) crediting into your bank account for the purposes of cash dividend / distribution if you have provided such bank account information to Bursa Depository; or
 - (c) ordinary / registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

8. OVER / UNDER-SUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

Pursuant to the Listing Requirements we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and / or eligible persons, subject to the underwriting arrangements and reallocation as set out in Section 4.3.4 of our Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

9. UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

9.1 For applications by way of Application Forms

- (i) The Application monies or the balance of it, as the case may be, will be refunded to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful applications) within ten (10) Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the NRIC or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within ten (10) Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

9.2 For applications by way of Electronic Share Application and Internet Share Application

- (i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within two (2) Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institution) within two (2) Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting date.

- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than ten (10) Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within two (2) Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within two (2) Market Days after the receipt of confirmation from the Issuing House.

10. SUCCESSFUL APPLICANTS

If you are successful in your Application:-

- (i) Our IPO Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued / offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

11. ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. 03-2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at <https://tiih.online>, **one Market Day** after the balloting date.

You may also check the status of your Application at the above website, **five Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

12. LIST OF ADAS

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name	Address and Telephone Number	Broker Code
<u>KUALA LUMPUR</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	2nd Floor, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No : 03-77106688	068-009
AFFIN HWANG INVESTMENT BANK BERHAD	Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21438668	068-018
AFFIN HWANG INVESTMENT BANK BERHAD	38A & 40A Jalan Midah 1 Taman Midah 56000 Cheras Kuala Lumpur Tel No : 03-91308803	068-021
ALLIANCE INVESTMENT BANK BERHAD	Level 17, Menara Multi-Purpose Capital Square 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : 03-26043333	076-001
AMINVESTMENT BANK BERHAD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-20782788 / 20362633	086-001
BIMB SECURITIES SDN BHD	Level 32, Menara Multi Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No : 03-26918887 / 26131600	024-001
CGS-CIMB SECURITIES SDN BHD	Level 17, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel No : 03-22618888	065-001

Name	Address and Telephone Number	Broker Code
FA SECURITIES SDN BHD	A-10-1 & A-10-17 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No : 03-22881676	021-001
HONG LEONG INVESTMENT BANK BERHAD	Level 7, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No : 03 – 21681168	066-001
HONG LEONG INVESTMENT BANK BERHAD	Level 25 & 26, Menara LGB No 1, Jalan Wan Kadir 60000, Taman Tun Dr Ismail Kuala Lumpur Tel No : 03-77236300	066-002
HONG LEONG INVESTMENT BANK BERHAD	Level 27 & 28, Menara Hong Leong No.6 Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Tel No : 03 – 20831800	066-008
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No : 03-21171888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, 7-0-8, Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No : 03-79847796	054-003
INTER-PACIFIC SECURITIES SDN BHD	No. 33-1 (First Floor) Jalan Radin Bagus Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03-90562921 / 90562922	054-007
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11th-14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No : 03-21710228	053-001
KENANGA INVESTMENT BANK BERHAD	Level 17, Kenanga Tower, 237 Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03-21722888	073-001
KENANGA INVESTMENT BANK BERHAD	M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No : 03-42978806	073-001

Name	Address and telephone number	Broker code
KENANGA INVESTMENT BANK BERHAD	Ground Floor West Wing ECM Libra Building 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No : 03-20892888	073-001
M & A SECURITIES SDN BHD	Level 1-3, No. 45 & 47 and 43-6 The Boulevard, Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel No : 03-22821820	057-002
M & A SECURITIES SDN BHD	22A-1 Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200 Kuala Lumpur Tel No : 03-79839890	057-004
MALACCA SECURITIES SDN BHD	No 76-1, Jalan Wangsa Maju Delima 6, Pusat Bandar Wangsa Maju (KLSC) Setapak, 53300, Kuala Lumpur Tel No: 03-4144 2565	012-001
MALACCA SECURITIES SDN BHD	B-M-10, Block B Plaza Arkadia Jalan Intisari Perdana Desa Park City 52200 Kuala Lumpur Tel No: 03-2733 9782	012-001
MALACCA SECURITIES SDN BHD	B01-A-13A Level 13A, Menara 2 No. 3, Jalan Bangsar KL Eco City 59200 Kuala Lumpur Tel No : 03-2201 2100	012-001
MAYBANK INVESTMENT BANK BERHAD	Level 5, Tower C Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No : 03-22978888	098-001
MAYBANK INVESTMENT BANK BERHAD	Tingkat 27, 31 to 33 Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel No : 03-20591888	098-007
MERCURY SECURITIES SDN BHD	L-7-2, No. 2 Jalan Solaris Solaris Mont' Kiara 50480 Kuala Lumpur Tel No : 03-62037227	093-002

Name	Address and telephone number	Broker code
MIDF AMANAH INVESTMENT BANK BERHAD	Level 9, 10, 11, 12 Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel No : 03-21738888	026-001
PM SECURITIES SDN BHD	Ground Floor, Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No : 03-21463000	064-001
PUBLIC INVESTMENT BANK BERHAD	27th Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No : 03-22683000	051-001
RHB INVESTMENT BANK BERHAD	Level 1, Tower 3 RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No : 03-92873888	087-001
RHB INVESTMENT BANK BERHAD	No. 62, 62-1, 64 & 64-1, Vista Magna Jalan Prima, Metro Prima 52100 Kuala Lumpur Tel No : 03 - 62575869	087-028
RHB INVESTMENT BANK BERHAD	No. 5 & 7, Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No : 03-42804798	087-054
RHB INVESTMENT BANK BERHAD	Ground Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No : 03-90587222	087-058
TA SECURITIES HOLDINGS BERHAD	Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No : 03-20721277	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No : 03-62056000	078-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 19th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No : 03-21471888	078-010

Name	Address and telephone number	Broker code
<u>SELANGOR DARUL EHSAN</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	Suite B 3A1, East Wing, 3Ath Floor, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56356688	068-010
AFFIN HWANG INVESTMENT BANK BERHAD	4th Floor, Wisma Meru 1 Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No : 03-33439999	068-019
AFFIN HWANG INVESTMENT BANK BERHAD	Lot 229, 2nd Floor, The Curve 6 Jalan PJU 7/3, Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77298016	068-020
AFFIN HWANG INVESTMENT BANK BERHAD	No.79-1, Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No : 03-33221999	068-023
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No. 2, Jalan SS21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03 – 77106613	086-001
CGS-CIMB SECURITIES SDN BHD	Level G, 1,2-01,3 & 6, Tropicana City Office Tower No 3 Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03 – 77173388	065-001
CGS-CIMB SECURITIES SDN BHD	1 st Floor, 135 & 137 Jalan Sultan Abdul Samad 42700 Banting Selangor Darul Ehsan Tel No : 03 – 31811337	065-001
CGS-CIMB SECURITIES SDN BHD	No. A-07-01 & A-07-02 Level 7, Empire Office Tower Empire Subang, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03 – 56317934	065-001

Name	Address and telephone number	Broker code
CGS-CIMB SECURITIES SDN BHD	2 nd Floor (No.26-2) Lorong Batu Nilam 4B Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No : 03 – 33257105	065-001
CGS-CIMB SECURITIES SDN BHD	1 st Floor (No. 11A), Jalan Kenari 1 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03 – 58916852	065-001
CGS-CIMB SECURITIES SDN BHD	1 st Floor, No. 26A(F), 26A(M) & 26A(B) Jalan SJ6, Taman Selayang Jaya 68100 Batu Caves Selangor Darul Ehsan Tel No : 03 – 61371680	065-001
JF APEX SECURITIES BERHAD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No : 03 – 87361118	079-001
JF APEX SECURITIES BERHAD	16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No : 03 – 76201118	079-002
KENANGA INVESTMENT BANK BERHAD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77259095	073-001
KENANGA INVESTMENT BANK BERHAD	Level 1 East Wing Wisma Consplant 2 No. 7 Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56212118	073-001
KENANGA INVESTMENT BANK BERHAD	35 (Ground, 1st & 2nd Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-33488080	073-001

Name	Address and telephone number	Broker code
MALACCA SECURITIES SDN BHD	No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No : 03-56361533	012-001
MALACCA SECURITIES SDN BHD	No. 54M, Mezzanine Floor Jalan SS2/67, Petaling Jaya Selangor Darul Ehsan Tel No : 03-7876 1533	012-001
MAYBANK INVESTMENT BANK BERHAD	Wisma Bentley Music Level 1, No. 3, Jalan PJU 7/2 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77188888	098-004
MAYBANK INVESTMENT BANK BERHAD	Wisma Bentley Music Level 1, No. 3, Jalan PJU 7/2 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No : 03-7718 8888	098-004
PM SECURITIES SDN BHD	1st Floor, 157- A, Jalan Kenari 23A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No : 03-80700773	064-003
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No : 03-33415300	064-001
RHB INVESTMENT BANK BERHAD	24, 24M, 24A, 26M, 28M, 28A & 30 Jalan SS 2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No : 03-78736366	087-011
RHB INVESTMENT BANK BERHAD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No : 03-87363378	087-045
RHB INVESTMENT BANK BERHAD	First Floor, 10 & 11 Jalan Maxwell 48000, Rawang Selangor Darul Ehsan Tel No :03 - 60928916	087-047

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1½, Jalan Meru 41050 Klang, Selangor Darul Ehsan Tel No : 03-33439180	087-048
RHB INVESTMENT BANK BERHAD	Unit 1B, 2B & 3B Jalan USJ 10/1J USJ 10, 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-80221888	087-059
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy, Lot 72, Persiaran Jubli Perak Section 22, 40000 Shah Alam Selangor Darul Ehsan Tel No : 03-51920202	096-001
SJ SECURITIES SDN BHD	No. A-3-11 Block Alamanda 10 Boulevard Lebuhraya Sprint, PJU 6A 47400 Petaling Jaya Selangor Darul Ehsan Tel No : 03-77323862	096-005
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T, Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No : 03-80251880	058-005
TA SECURITIES HOLDINGS BERHAD	2nd Floor, Wisma TA 1A Jalan SS20/1, Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel no : 03 – 77295713	058-007
<u>MELAKA</u>		
CGS-CIMB SECURITIES SDN BHD	Ground, 1st & 2nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No : 06-2898800	065-001
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM9 Plaza Pandan Malim (Business Park) Balai Panjang 75250 Melaka Tel No : 06-3371533	012-001
KENANGA INVESTMENT BANK BERHAD	71 (Ground, A&B) & 73 (Ground, A&B) Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2881720	073-001

Name	Address and telephone number	Broker code
KENANGA INVESTMENT BANK BERHAD	22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No : 06-3372550	073-001
MERCURY SECURITIES SDN BHD	81, 81A & 81B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2921898	093-003
PM SECURITIES SDN BHD	No 6-1, Jalan Lagenda 2, Taman 1 Lagenda, 75400 Melaka Tel No : 06-2880050	064-006
RHB INVESTMENT BANK BERHAD	579, 580 & 581, Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06 – 2825211	087-026
TA SECURITIES HOLDINGS BERHAD	59, 59A, 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No : 06-2862618	058-003
UOB KAY HIAN SECURITIES (M) SDN BHD	7-2 Jalan PPM8 Malim Business Park 75250 Melaka Tel No : 06-3352511	078-014
<u>PERAK DARUL RIDZUAN</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	21, Jalan Stesen Ground Floor, 1, 2 & 3 34000 Taiping Perak Darul Ridzuan Tel No : 05-8066688	068-003
AFFIN HWANG INVESTMENT BANK BERHAD	2nd & 3rd Floor No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2559988	068-015
CGS-CIMB SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2088688	065-001

Name	Address and telephone number	Broker code
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2530888	066-003
KENANGA INVESTMENT BANK BERHAD	Ground, 1st, 2nd & 4th Floor No. 63 Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2422828	073-022
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 25 & 25A Jalan Jaya 2, Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6939828	073-031
M & A SECURITIES SDN BHD	5 th , 6 th Floor & Unit 8A M&A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No : 05-2419800	057-001
MALACCA SECURITIES SDN BHD	No 3, 1st Floor, Persiaran Greenhill 30450, Ipoh Perak Darul Ridzuan Tel No: 05-2541 533 / 2541577	012-013
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 42 Persiaran Greentown 1 Pusat Dagangan Greentown 30450 Ipoh, Perak Tel No : 05-2453400	098-002
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No : 05-6236498	087-014
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No : 05-6921228	087-016
RHB INVESTMENT BANK BERHAD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No : 05-2415100	087-023

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	Ground Floor, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No : 05-8088229	087-034
RHB INVESTMENT BANK BERHAD	72, Ground Floor Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No : 05-4651261	087-044
RHB INVESTMENT BANK BERHAD	No 1&3, 1st Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel No : 05-7170888	087-052
TA SECURITIES HOLDINGS BERHAD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No : 05-2531313	058-001
UOB KAY HIAN SECURITIES (M) SDN BHD	153A Jalan Raja Musa Aziz 30300 Ipoh Perak Darul Ridzuan Tel No : 05-2411290	078-002
<u>PULAU PINANG</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 2, 3, 4, 5, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Pulau Pinang Tel No : 04-2636996	068-001
AFFIN HWANG INVESTMENT BANK BERHAD	No. 2 & 4, Jalan Perda Barat Bandar Perda 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5372882	068-006
ALLIANCE INVESTMENT BANK BERHAD	Ground & Mezzanine Floor Bangunan Barkath 21, Lebu Pantai 10300 Pulau Pinang Tel No: 04-2611688	076-015
AMINVESTMENT BANK BERHAD	3rd Floor, Menara Liang Court 37, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2261818	086-001

Name	Address and telephone number	Broker code
CGS-CIMB SECURITIES SDN BHD	Level 2, Menara BHL, 51, Jalan Sultan Ahmad Shah, 10050 Pulau Pinang Tel No : 04-2385900	065-001
CGS-CIMB SECURITIES SDN BHD	1 st Floor, 32A Jalan Mahsuri 11950 Bandar Bayan Baru Pulau Pinang Tel No : 04 – 6422287	065-001
CGS-CIMB SECURITIES SDN BHD	No. 20-1 & No. 20-2 Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Bayan Lepas Pulau Pinang Tel No : 04 – 6412881	065-001
CGS-CIMB SECURITIES SDN BHD	2 nd Floor, No. 6160 Jalan Ong Yi How Kawasan Perindustrian Teras Jaya 13400 Butterworth Pulau Pinang Tel No : 04 – 3291112	065-001
CGS-CIMB SECURITIES SDN BHD	1 st Floor, Unit 1308 & 1309 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Pulau Pinang Tel No : 04 – 5821388/1368	065-001
INTER-PACIFIC SECURITIES SDN BHD	Canton Square Level 2 (Unit 1) & Level 3 No 56. Cantontment Road 10250 Pulau Pinang Tel No : 04-2268288	054-002
JF APEX SECURITIES BERHAD	368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Pulau Pinang Tel No : 04-2289118	079-005
KENANGA INVESTMENT BANK BERHAD	7th, 8th & 16th Floor Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Pulau Pinang Tel No : 04-2283355	073-023
M & A SECURITIES SDN BHD	332H-1 & 332G-2 Harmony Square Jalan Perak 11600 Georgetown Pulau Pinang Tel No : 04-2817611	057-005

Name	Address and telephone number	Broker code
M & A SECURITIES SDN BHD	9-1-33, Taman Kheng Tian Jalan Van Praagh, 11600, Georgetown Pulau Pinang Tel No : 04 – 2888 788	057-008
MALACCA SECURITIES SDN BHD	48 Jalan Todak 2 13700 Seberang Jaya Pulau Pinang Tel No : 04-3905669	012-001
MALACCA SECURITIES SDN BHD	No 17, 1st Floor Persiaran Bayan Indah Taman Bayan Indah 11900 Bayan Lepas Pulau Pinang Tel No : 04-6421533	012-001
MAYBANK INVESTMENT BANK BERHAD	Lot 1.02, 1st Floor, Bangunan KWSP Jalan Sultan Ahmad Shah 10050 Georgetown, Pulau Pinang Tel No : 04-2196888	098-006
MERCURY SECURITIES SDN BHD	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth, Seberang Perai Pulau Pinang Tel No : 04-3322123	093-001
MERCURY SECURITIES SDN BHD	2nd Floor, Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Pulau Pinang Tel No : 04-2639118	093-004
MERCURY SECURITIES SDN BHD	D'Piazza Mall 70-1-22 Jalan Mahsuri 11900 Bandar Bayan Baru Pulau Pinang Tel No : 04-6400822	093-006
PM SECURITIES SDN BHD	Level 3, Wisma Wang 251-A, Jalan Burmah 10350, Pulau Pinang Tel No : 04-2273000	064-004
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Pulau Pinang Tel No : 04-3900022	087-005

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	64 & 64-D Ground Floor-3rd Floor & 5th-8th Floor Lebuh Bishop 10200 Pulau Pinang Tel No : 04-2634222	087-033
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5, 15-1-6, 15-2-5, 15-2-6 & 15-2-24 Medan Kampung Relau (Bayan Point) 11950 Pulau Pinang Tel No : 04-6404888	087-042
TA SECURITIES HOLDINGS BERHAD	3rd Floor, Bangunan Heng Guan No 171, Jalan Burmah 10050 Pulau Pinang Tel No : 04-2272339	058-010
UOB KAY HIAN SECURITIES (M) SDN BHD	1st Floor, Bangunan Heng Guan 171 Jalan Burmah 10050 Pulau Pinang Tel No : 04-2299318	078-002
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Pulau Pinang Tel No : 04-5541388	078-003
<u>PAHANG DARUL MAKMUR</u>		
ALLIANCE INVESTMENT BANK BERHAD	Ground, Mezzanine & 1st Floor B400, Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel No : 09-5660800	076-002
CGS-CIMB SECURITIES SDN BHD	Ground, 1st & 2nd Floor No. A-27 Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No : 09-5057800	065-001
KENANGA INVESTMENT BANK BERHAD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No : 09-5171698	073-001

Name	Address and telephone number	Broker code
MALACCA SECURITIES SDN BHD	P11-3, Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No : 09-2220993 / 014 – 9215 992	012-001
RHB INVESTMENT BANK BERHAD	B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No : 09-5173811	087-007
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No : 09-4914913	087-041
<u>KELANTAN DARUL NAIM</u>		
CGS-CIMB SECURITIES SDN BHD	Level 4, Wisma TCH (fka Wisma Square Point) Jalan Pengkalan Chepa 15400 Kota Bharu Kelantan Darul Naim Tel No : 09-7419050	065-001
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 3953-H, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No : 09-7430077	087-020
TA SECURITIES HOLDINGS BERHAD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09-7432288 / 09 – 743 3388	058-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1st Floor Lot 712, Sek 9, PT 62 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No : 09-7473906	078-004
<u>TERENGGANU DARUL IMAN</u>		
ALLIANCE INVESTMENT BANK BERHAD	Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 20100 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6317922	076-009

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	Tingkat bawah & Tingkat satu 9651 Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No : 09-8583109	087-027
RHB INVESTMENT BANK BERHAD	1st Floor, 59 Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6261816	087-055
UOB KAY HIAN SECURITIES (M) SDN BHD	37-B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No : 09-6224766	078-016
<u>KEDAH DARUL AMAN</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	70 A, B, C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No : 04-4256666	068-011
ALLIANCE INVESTMENT BANK BERHAD	Lot T-30, 2nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No : 04-7317088 / 731 8270	076-004
CGS-CIMB SECURITIES SDN BHD	2 nd Floor, No. 102 Kompleks Persiaran Sultan Abdul Hamid Jalan Pegawai 05050 Alor Setar Kedah Darul Aman Tel No : 04-7774400	065-001
MALACCA SECURITIES SDN BHD	No. 9 Tingkat Satu Kompleks Perniagaan LITC Jalan Putra Mergong 05150 Alor Setar Kedah Darul Aman Tel No : 04-7350888	012-001
RHB INVESTMENT BANK BERHAD	35, Ground Floor, Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No : 04-4964888	087-019

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor, 214-A, 214-B, 215-A & 215-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No : 04-7209888	087-021
<u>NEGERI SEMBILAN DARUL KHUSUS</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	1st Floor, 105, 107 & 109 Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7612288	068-007
CGS-CIMB SECURITIES SDN BHD	Level 2, Wisma Dewan Perniagaan Melayu Negeri Sembilan Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7614651	065-001
CGS-CIMB SECURITIES SDN BHD	2 nd Floor, Lot 3110 Jalan Besar, Lukut 71010 Port Dickson Negeri Sembilan Darul Khusus Tel No : 06-6515385	065-001
CGS-CIMB SECURITIES SDN BHD	1 st Floor, No. 21 Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553155	065-001
AFFIN HWANG INVESTMENT BANK BERHAD	6, Upper Level, Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No : 06-4553188	068-013
KENANGA INVESTMENT BANK BERHAD	1C & 1D, Ground & 1st Floor Jalan Tunku Munawir 70000 Seremban, Negeri Sembilan Tel No : 06-7655998	073-001
MAYBANK INVESTMENT BANK BERHAD	Wisma HM No. 43, Jalan Dr Krishnan 70000 Seremban Negeri Sembilan Tel No : 06-7669555	098-005
PM SECURITIES SDN BHD	1st-3rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7623131	064-002

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 32 & 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No : 06-7641641	087-024
RHB INVESTMENT BANK BERHAD	Tingkat Satu No.3601 Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No : 06-4421000	087-037
<u>JOHOR DARUL TAKZIM</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	Level 7, Johor Bahru City Square (Office Tower) 106-108 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2222692	068-004
ALLIANCE INVESTMENT BANK BERHAD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No : 07-7717922	076-006
AMINVESTMENT BANK BERHAD	2nd & 3rd Floor, Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4342282	086-001
AMINVESTMENT BANK BERHAD	18th Floor, Selesa Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3343855	086-001
CGS-CIMB SECURITIES SDN BHD	Ground & 1 st Floor No 73 & 73A, Jalan Kuning Dua, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3405888	065-001
CGS-CIMB SECURITIES SDN BHD	1 st Floor, 101 Jalan Gambir 8 Bandar Baru Bukit Gambir 84800 Muar Johor Darul Takzim Tel No : 07-9764559	065-001
CGS-CIMB SECURITIES SDN BHD	1 st Floor, No. 8A, Jalan Dedap 20 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3537669	065-001

Name	Address and telephone number	Broker code
CGS-CIMB SECURITIES SDN BHD	2 nd Floor, 113 & 114 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No : 07-9311509	065-001
CGS-CIMB SECURITIES SDN BHD	1 st Floor, No. 384A Jalan Simbang, Taman Perling 81200 Johor Bahru Johor Darul Takzim Tel No : 07-2329673	065-001
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No : 07-2231211	054-004
KENANGA INVESTMENT BANK BERHAD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3333600	073-004
KENANGA INVESTMENT BANK BERHAD	Ground & Mezzanine Floor 34 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No : 07-9333515	073-009
KENANGA INVESTMENT BANK BERHAD	33 & 35 (A&B), Ground Floor Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No : 07-7771161	073-010
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 4, Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No : 06-9782292	073-001
KENANGA INVESTMENT BANK BERHAD	24, 24A & 24B Jalan Penjaja 3, Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4326963	073-001
KENANGA INVESTMENT BANK BERHAD	57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9531222	073-001

Name	Address and telephone number	Broker code
KENANGA INVESTMENT BANK BERHAD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No : 07 – 4678 885	073-001
KENANGA INVESTMENT BANK BERHAD	916, Ground Floor Jalan Bakek 82000, Pontian Johor Darul Takzim Tel : 07 – 6861 121	073-001
M & A SECURITIES SDN BHD	Suite 5.3A, Level 5, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3381233	057-003
MALACCA SECURITIES SDN BHD	31B Jalan Rahmat 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4381533	012-001
MALACCA SECURITIES SDN BHD	1735-B Jalan Sri Putri 4 Taman Putri Kulai 81000, Kulaijaya Johor Darul Takzim Tel: 07-6638877	012-001
MALACCA SECURITIES SDN BHD	Lot 880, 3 ½ Mile Jalan Salleh 84000 Muar Johor Darul Takzim Tel: 06-9536948	012-001
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No : 07-3316992	093-005
PM SECURITIES SDN BHD	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4333608	064-001
RHB INVESTMENT BANK BERHAD	6th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No : 07-2788821	087-006

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	53, 53-A & 53-B, Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No : 07-4380288	087-009
RHB INVESTMENT BANK BERHAD	No. 33-1, 1st & 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No : 06-9538262	087-025
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No : 07-5577628	087-006
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No : 07-9321543	087-030
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 40 Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel No : 07-7769655	087-031
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No : 07-6626288	087-006
RHB INVESTMENT BANK BERHAD	Ground, 1st & 2nd Floor, Nos. 21 & 23 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3522293	087-006
TA SECURITIES HOLDINGS BERHAD	7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No : 07-9435278	058-003
TA SECURITIES HOLDINGS BERHAD	15, Jalan Molek 1/5A Taman Molek 81000 Johor Bahru Tel No: 07-3647388	058-003

Name	Address and telephone number	Broker code
UOB KAY HIAN SECURITIES (M) SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No : 07-3332000	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No : 07-6635651	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	70 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No : 07-3513218	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	171 Ground Floor Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No : 07-5121633	078-008
<u>SARAWAK</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	282, 1st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : 086-330008	068-016
AFFIN HWANG INVESTMENT BANK BERHAD	Ground Floor & 1 st Floor No. 1, Jalan Pending 93450 Kuching Sarawak Tel No : 082-341999	068-005
AMINVESTMENT BANK BERHAD	1st , 2nd, & 3rd Floor, No. 162, 164, 166 & 168 Jalan Abell 93100 Kuching Sarawak Tel No : 082-244791	086-001
CGS-CIMB SECURITIES SDN BHD	Ground Floor, No. 6A, Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel No : 084-367700	065-001

Name	Address and telephone number	Broker code
CGS-CIMB SECURITIES SDN BHD	Level 1 (North), Wisma STA No. 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching, Sarawak Tel No : 082-358688	065-001
KENANGA INVESTMENT BANK BERHAD	Lot 1866, Jalan MS 2/5 Marina Square 2 Marina Parkcity 98000 Miri Sarawak Tel No : 085-435577	073-002
KENANGA INVESTMENT BANK BERHAD	Level 2-4, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No : 082-338000	073-003
KENANGA INVESTMENT BANK BERHAD	11-12, Ground & 1st Floor Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No : 084-313855	073-012
KENANGA INVESTMENT BANK BERHAD	Ground Floor of Survey Lot No 4203 Parkcity Commerce Square Phase 6, Jalan Diwarta 97000 Bintulu Sarawak Tel No : 086-337588	073-018
MERCURY SECURITIES SDN BHD	1st Floor, 16, Jalan Getah 96100 Sarikei, Sarawak Tel No : 084- 656281	093-001
RHB INVESTMENT BANK BERHAD	Yung Kong Abell Units No. 1-10, 2nd Floor Lot 365, Section 50, Jalan Abell 93100 Kuching Sarawak Tel : 082- 250888	087-008
RHB INVESTMENT BANK BERHAD	2nd Floor, Lot 1268 & Lot 1269 Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No : 085-422788	087-012
RHB INVESTMENT BANK BERHAD	No. 102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No : 084-329100	087-008

Name	Address and telephone number	Broker code
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 221, Parkcity Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No : 086-311770	087-053
TA SECURITIES HOLDINGS BERHAD	12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Tel No : 084-319998	058-002
TA SECURITIES HOLDINGS BERHAD	Tingkat 2, Bangunan Binamas Lot 138, Section 54 Jalan Padungan 93100 Kuching Sarawak Tel No : 082-236333	058-006
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 1265, 1st Floor Centre Point Commercial Centre Jalan Melayu 98000, Miri Sarawak Tel: 085 - 324128	078-017
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1st Floor No 16, Lorong Intan 6 96000 Sibu Sarawak Tel: 084-252737	078-018
<u>SABAH</u>		
AFFIN HWANG INVESTMENT BANK BERHAD	Suite 1-9-E1, 9th Floor CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu, Sabah Tel No : 088-311688	068-008
CGS-CIMB SECURITIES SDN BHD	1st & 3rd Floor Central Building Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No : 088-328878	065-001
CGS-CIMB SECURITIES SDN BHD	1st Flr, Lot 12, Block A3 Phase 2, Utama Place Mile 6 Northern Road 90000 Sandakan Sabah Tel No : 089-215578	065-001

Name	Address and telephone number	Broker code
KENANGA INVESTMENT BANK BERHAD	Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : 088-236188	073-032
RHB INVESTMENT BANK BERHAD	2nd Floor 81 & 83, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No : 088-269788	087-010
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 177 & 178, Ground Floor Block 17, Phase 2, Prima Square Mile 4, North Road 90000 Sandakan Sabah Tel No : 089-218681	078-012