NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF VESTLAND BERHAD ("VESTLAND" OR THE "COMPANY") DATED 27 DECEMBER 2022 ("ELECTRONIC PROSPECTUS")

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Electronic 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 who is in doubt of the validity or integrity of the Electronic Prospectus should immediately request for a paper/printed copy of the Prospectus directly from the Company or Tricor Issuing House & Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus, subject to availability, from AmInvestment Bank Berhad, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

The IPO and distribution of the Electronic Prospectus are subject to the laws of Malaysia. The Electronic Prospectus will not be distributed outside Malaysia. The Company, Directors of the Company, Promoters, Offerors, Principal Adviser, Sponsor, Placement Agent and Underwriter have not authorised and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. Accordingly, the Electronic Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase of, or invitation to subscribe for or purchase of the IPO Shares in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. Prospective investors who may be in possession of the Electronic Prospectus are required to inform themselves of and to observe such restrictions.

Close of Application

Applications will be accepted from **10.00 a.m.** on **27 December 2022 (Tuesday)** and will close at **5.00 p.m.** on **16 January 2023 (Monday)**. Any change to the timetable will be advertised by Vestland in a widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

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.

VESTLAND

VESTLAND BERHAD

(Registration No. 202101037563 (1437863-M))
(Incorporated in Malaysia under the Companies Act 2016)

Address

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VESTLAND BERHAD PROSPECTUS

VESTLAND

VESTLAND BERHAD

(Registration No. 202101037563 (1437863-M))
(Incorporated in Malaysia under the Companies Act 2016)

PROSPECTUS

THIS PROSPECTUS IS DATED
27 DECEMBER 2022

INITIAL PUBLIC OFFERING ("IPO") OF 240,800,000 ORDINARY SHARES IN VESTLAND BERHAD ("VESTLAND" OR "COMPANY") ("SHARES") IN CONJUNCTION WITH THE LISTING OF VESTLAND ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:-

(A) PUBLIC ISSUE OF 170,000,000 NEW SHARES ("ISSUE SHARES") IN THE FOLLOWING MANNER:

- (I) 47,216,000 ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC VIA BALLOTING;
- (II) 27,745,000 ISSUE SHARES MADE AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF VESTLAND AND ITS SUBSIDIARY; AND
- (III) 95,039,000 ISSUE SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY, MALAYSIA ("MITI"),

(B) OFFER FOR SALE OF 70,800,000 EXISTING SHARES ("OFFER SHARES") IN THE FOLLOWING MANNER:

- (I) 23,000,000 OFFER SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MITI; AND
- (II) 47,800,000 OFFER SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS AS SET OUT IN THIS PROSPECTUS, AT AN IPO PRICE OF RM0.33 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Placement Agent and Underwriter

AmInvestment Bank

AMINVESTMENT BANK BERHAD

(Registration No. 197501002220 (23742-V))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX MONTHS FROM THE DATE OF THIS PROSPECTUS.

BURSA SECURITIES HAS APPROVED THE ADMISSION OF OUR COMPANY TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED ISSUED SHARE CAPITAL ON THE ACE MARKET OF BURSA SECURITIES. THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE SAID APPROVAL AND REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. BURSA SECURITIES HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

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

INVESTORS 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, PLEASE SEE "RISK FACTORS" COMMENCING ON PAGE 190.

THE ACE MARKET 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 SECURITIES COMMISSION MALAYSIA ("SC") UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

RESPONSIBILITY STATEMENTS

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

AMINVESTMENT BANK BERHAD ("**AMINVESTMENT BANK**"), BEING OUR PRINCIPAL ADVISER, SPONSOR, PLACEMENT AGENT AND UNDERWRITER, 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.

STATEMENTS OF DISCLAIMER

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

THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORM, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES, WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

OTHER STATEMENTS

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 THIS 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 COMPANY.

OUR SHARES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING OUR IPO, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

OUR SHARES ARE CLASSIFIED AS SHARIAH COMPLIANT BY THE SHARIAH ADVISORY COUNCIL OF THE SC. THIS CLASSIFICATION REMAINS VALID FROM THE DATE OF ISSUE OF THE PROSPECTUS UNTIL THE NEXT SHARIAH COMPLIANCE REVIEW 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.

INVESTORS SHOULD NOT TAKE THE AGREEMENT BY THE UNDERWRITER NAMED IN THIS PROSPECTUS TO UNDERWRITE OUR ISSUE SHARES ALLOCATED TO THE MALAYSIAN PUBLIC AND ELIGIBLE PERSONS AS AN INDICATION OF THE MERITS OF OUR SHARES BEING OFFERED.

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

THIS PROSPECTUS IS PREPARED AND PUBLISHED SOLELY FOR OUR IPO IN MALAYSIA UNDER THE LAWS OF MALAYSIA. OUR DIRECTORS, PROMOTERS, OFFERORS, PRINCIPAL ADVISER, SPONSOR, PLACEMENT AGENT AND UNDERWRITER HAVE NOT AUTHORISED AND TAKE NO RESPONSIBILITY FOR THE DISTRIBUTION OF THIS PROSPECTUS (IN PRELIMINARY OR FINAL FORM) OUTSIDE MALAYSIA. OUR COMPANY, PROMOTERS, OFFERORS AND PRINCIPAL ADVISER, SPONSOR, PLACEMENT AGENT AND UNDERWRITER HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH ANY INFORMATION OR MAKE ANY REPRESENTATION WHICH IS NOT CONTAINED IN THIS PROSPECTUS.

WE WILL NOT, PRIOR TO ACTING ON ANY ACCEPTANCES IN RESPECT OF OUR IPO, MAKE OR BE BOUND TO MAKE ANY ENQUIRY BEFORE ANY ACCEPTANCE IN RESPECT OF OUR IPO, AS TO WHETHER YOU HAVE A REGISTERED ADDRESS IN MALAYSIA. WE WILL NOT ACCEPT OR BE DEEMED TO ACCEPT ANY LIABILITY IN RELATION THERETO WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION WITH IT. IT IS YOUR SOLE RESPONSIBILITY, IF YOU ARE OR MAY BE SUBJECT TO THE LAWS OF COUNTRIES OR JURISDICTION 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 JURISDICTION.

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

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

OUR SECURITIES OFFERED IN OUR IPO ARE OFFERED SOLELY ON THE BASIS OF THE INFORMATION CONTAINED AND REPRESENTATIONS MADE IN THIS PROSPECTUS. ANY INFORMATION OR REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY OUR COMPANY, PROMOTERS, OFFERORS, PRINCIPAL ADVISER, SPONSOR, PLACEMENT AGENT AND UNDERWRITER, OR ANY OF THEIR RESPECTIVE DIRECTORS OR ANY OTHER PERSONS INVOLVED IN OUR IPO.

ELECTRONIC PROSPECTUS/INTERNET SHARE APPLICATION

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT http://www.bursamalaysia.com.

THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE COPY OF THIS PROSPECTUS REGISTERED WITH BURSA SECURITIES ARE THE SAME.

THE INTERNET IS NOT A FULLY SECURE MEDIUM. INTERNET SHARE APPLICATIONS MAY BE SUBJECT TO RISKS IN 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. THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

IF YOU ARE IN DOUBT OF THE VALIDITY OR INTEGRITY OF THE ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US OR THE ISSUING HOUSE, A PAPER/PRINTED COPY OF THIS PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE PAPER/PRINTED COPY OF THIS PROSPECTUS, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS, WHICH ARE IDENTICAL TO THE COPY OF THIS PROSPECTUS REGISTERED WITH BURSA SECURITIES, 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 PRINCIPAL ADVISER DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY TO THE THIRD PARTY INTERNET SITES. ACCORDINGLY, WE ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF, OR THE CONTENT OR ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES. YOU BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES;

(II) WE AND OUR PRINCIPAL ADVISER ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, PARTICULARLY IN FULFILLING ANY OF THE TERMS OF ANY OF YOUR AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE OR COST THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD PARTY INTERNET SITES OR THE USE OF OR RELIANCE ON ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED BY SUCH PARTIES; AND

(III) ANY DATA, INFORMATION, FILES OR OTHER MATERIAL IS DOWNLOADED FROM THE THIRD PARTY INTERNET SITES AT YOUR OWN DISCRETION AND RISK. WE AND OUR PRINCIPAL ADVISER ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEMS OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIAL.

WHERE THE 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 THE ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS WHICH MAY BE VIEWED THROUGH WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS ARE NOT RESPONSIBLE FOR THE INTEGRITY OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS, WHICH HAS BEEN DOWNLOADED OR OTHERWISE OBTAINED FROM THE WEB SERVERS OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS AND SUBSEQUENTLY 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 THE ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF THE ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED BECAUSE THE INTERNET IS NOT A FULLY SECURED MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS ARE NOT 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 THE ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT 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

An indicative timetable for our IPO is set out below:

Events	Date
Opening of application for our IPO Shares	10.00 a.m., 27 December 2022
Closing of application for our IPO Shares	5.00 p.m., 16 January 2023
Balloting of applications	18 January 2023
Allotment of our IPO Shares to successful applicants	27 January 2023
Listing on the ACE Market of Bursa Securities	31 January 2023

If there is any change to the indicative timetable above, we will advertise a notice of the changes in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to "**our Company**" or "**the Company**" or "**Vestland**" in this Prospectus mean Vestland Berhad, while references to "**our Group**" or "**the Group**" or "**Vestland Group**" mean our Company and our subsidiary. References to "**we**", "**us**", "**our**" and "**ourselves**" mean our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to "**management**" are to our Directors and Key Senior Management as disclosed in this Prospectus and statements as to our beliefs, expectations, estimates and opinions are those of our management.

In this Prospectus, the word "**approximately**" indicates that a number is not exact, but that number is usually rounded off to the nearest hundredth or 2 decimal places. Any discrepancies in the tables included in this Prospectus between the amounts listed and totals thereof are due to rounding. Other abbreviations used here are defined in the "**Definitions**" and "**Glossary of Technical Terms**" sections of this Prospectus. Words denoting the singular shall include the 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 corporations.

Any reference to provisions of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactments to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

Any reference to a time or date shall be a reference to a time or date in Malaysia, unless otherwise stated.

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 we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is acknowledged in this Prospectus, provided that where no source is acknowledged, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from the IMR Report prepared by Vital Factor Consulting Sdn Bhd, an independent business and market research consulting company, for inclusion in this Prospectus. We believe that the statistical data and projections cited in this Prospectus are useful in helping you understand the major trends in the market and industry in which we operate.

If there are discrepancies or inconsistencies between the English and Malay versions of this Prospectus, the English version shall prevail. The information on our website or any website, directly or indirectly, linked to our website does not form part of this Prospectus. If there is any discrepancy between the contents of such website relating to our Company and this Prospectus, the information contained in this Prospectus shall prevail.

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FORWARD-LOOKING STATEMENTS

This Prospectus includes 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, prospects, plans and objectives of our Company for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future result, 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 operate or will operate in the future. Such forward-looking statements reflect our current views 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 the words “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast” or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- the general industry environment, including the supply and demand for our products and services, trends and competitive position;
- our business strategies and potential growth opportunities;
- our plans and objectives for future operations;
- our financial position;
- our financial earnings, cash flows and liquidity;
- our ability to pay dividends; and
- the regulatory environment and the effects of future regulation.

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 ongoing COVID-19 pandemic and similar future outbreak;

(ii) the economic, political and investment environment in Malaysia and globally; and

(iii) government policy, legislation or regulation.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 9 of this Prospectus on “Risk factors” and Section 12.2 of this Prospectus on “Management’s discussion and analysis of financial condition and results of operations”. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. These forward-looking statements are based on information available to us as at the LPD.

Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of the IPO Shares, we will issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines issued by the SC (Supplementary and Replacement Prospectus).

DEFINITIONS

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

COMPANIES WITHIN OUR GROUP:

Vestland or **Company**	:	Vestland Berhad (Registration No. 202101037563 (1437863-M))
Vestland Group or **Group**	:	Collectively, Vestland and its subsidiary, Vestland Resources
Vestland Resources	:	Vestland Resources Sdn Bhd (Registration No. 201101002857 (930995-P))

GENERAL:

ACE Market	:	ACE Market of Bursa Securities
Acquisition	:	Acquisition by Vestland of the entire equity interest of Vestland Resources from Datuk Liew and SK Wong for a purchase consideration of RM46.46 million which was wholly satisfied via the allotment and issuance of 774,308,600 new Shares at an issue price of RM0.06 per Share. The Acquisition was completed on 20 April 2022
ADA	:	Authorised Depository Agent, a person appointed by Bursa Depository under the Rules of Bursa Depository
AmInvestment Bank or **Principal Adviser** or **Sponsor** or **Placement Agent** or **Underwriter**	:	AmInvestment Bank Berhad (Registration No. 197501002220 (23742-V))
Application	:	Application for IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
Application Form(s)	:	The printed application form(s) for the application of our IPO Shares accompanying this Prospectus
ATM	:	Automated teller machine
Board	:	Board of Directors of Vestland
Bumiputera	:	In the context of: (i) Individuals, Malays and the aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia; (ii) companies, a company which fulfils, among others, the following criteria or such other criteria as may be imposed by the MITI: (a) registered under the CA 2016 as a private company; (b) its shareholders are 100.00% Bumiputera; and (c) its board of directors (including its staff) are at least 51.00% Bumiputera; and (iii) cooperatives, a cooperative whose shareholders or cooperative members are at least 95.00% Bumiputera or such other criteria as may be imposed by the MITI.

Bursa Depository or **Depository**	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CA 2016	:	Companies Act, 2016
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CDS Account	:	Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
Central Depositories Act or **SICDA**	:	Securities Industry (Central Depositories) Act, 1991
CIDB	:	Construction Industry Development Board Malaysia
Closing Date	:	Date adopted in this Prospectus as the last date for acceptance and receipt of the Application
CMCO	:	Conditional movement control order
CMSA	:	Capital Markets and Services Act, 2007
Constitution	:	The constitution of Vestland
COVID-19	:	Coronavirus disease 2019
Datuk Liew	:	Datuk Liew Foo Heen, our Promoter, Specified Shareholder, Offeror, Substantial Shareholder and Group Managing Director
Director(s)	:	An executive director or a non-executive director of our Company within the meaning of Section 2 of the CA 2016
Electronic Prospectus	:	An electronic copy of this Prospectus that is being issued, circulated or disseminated via the internet and/or an electronic storage medium, including but not limited to website, mobile application, email, compact disc, thumb drive and cloud-based storage
Electronic Share Application	:	Application for the Issue Shares through a Participating Financial Institution's ATM
Eligible Persons	:	Eligible Directors, employees of our Group and persons who have contributed to the success of our Group
EPF	:	Employees' Provident Fund
EPS	:	Earnings per Share
Financial Years and Period Under Review	:	FYE 2019, FYE 2020, FYE 2021 and FPE 2022 collectively
Financial Years Under Review	:	FYE 2019, FYE 2020 and FYE 2021, collectively
FPE	:	6-month financial period ended 30 June

FYE	:	Financial year ended/ending 31 December, as the case may be
Government	:	Government of Malaysia
GP	:	Gross profit
IFRS	:	International Financial Reporting Standards
IMR or **Vital Factor**	:	Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T)), an independent business and market research consulting company, being our independent market researcher
IMR Report	:	Industry Overview titled "Independent Assessment of the Construction Industry in Malaysia" prepared by the IMR
Internet Participating Financial Institution(s)	:	Participating financial institution(s) for Internet Share Application as set out in Section 16.6
Internet Share Application	:	Application for IPO Shares through an online share application service provided by Internet Participating Financial Institution
IPO or **Initial Public Offering**	:	Our initial public offering comprising the Public Issue and Offer for Sale
IPO Price	:	Issue/offer price of RM0.33 per Share under our Public Issue and Offer for Sale
IPO Share(s)	:	Issue Share(s) and Offer Share(s), collectively
IRB	:	Inland Revenue Board of Malaysia
Issuing House and **Share Registrar**	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
Issue Share(s)	:	New Share(s) to be issued under the Public Issue
Key Senior Management	:	Key senior management personnel of our Group comprising Low Choon Wei, Lim Tow Uen, Sr Ooi Yiqing, Soh Chee Wah, Chan Chooi Mee and Christina Nair A/P Narayanan
Listing	:	Admission to the Official List and the listing of and quotation for the entire enlarged issued Shares of Vestland comprising 944,308,700 Shares on the ACE Market of Bursa Securities
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
LPD	:	28 November 2022, being the latest practicable date prior to the issuance of this Prospectus
Malaysian Public or **Public**	:	Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia but excluding Directors of our Group, our substantial shareholders and persons connected with either of them
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 in securities

Master Construction Agreement	:	A conditional master construction agreement entered into between Vestland Resources and Splendid Forte Development Sdn Bhd on 18 March 2022
MCCG	:	Malaysian Code on Corporate Governance
MCO	:	The nationwide Movement Control Order imposed by the Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of COVID-19 pandemic
MFRS	:	Malaysian Financial Reporting Standards
MITI	:	Ministry of International Trade and Industry, Malaysia
NA	:	Net assets
NBV	:	Net book value
Offer for Sale	:	Offer for sale of the Offer Shares by the Offerors at the IPO Price, subject to the terms and conditions of this Prospectus
Offer Share(s)	:	70,800,000 existing Shares to be offered by the Offerors pursuant to the Offer for Sale
Official List	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
OSHA	:	Occupational Safety and Health Act, 1994
Participating Financial Institution(s)	:	Participating financial institution(s) for the Electronic Share Application, as listed in Section 16.5 of this Prospectus
PAT	:	Profit after tax
PBT	:	Profit before tax
PE Multiple	:	Price-to-earnings multiple
Pink Form Allocations	:	The allocation of 27,745,000 Issue Shares to the Eligible Persons
Promoters or **Specified Shareholders** or **Substantial Shareholders** or **Offerors**	:	Datuk Liew and SK Wong, collectively
Prospectus	:	This Prospectus dated 27 December 2022 in relation to our IPO
Public Issue	:	Public issue of 170,000,000 Issue Shares at the IPO Price, subject to the terms and conditions of this Prospectus
Record of Depositors	:	A record provided by Bursa Depository to our Company under the Rules of Bursa Depository
RM and **sen**	:	Ringgit Malaysia and sen, the lawful currency of Malaysia

RMCO	:	Recovery Movement Control Order
Rules of Bursa Depository	:	The rules of Bursa Depository as issued pursuant to the SICDA
SAC	:	Shariah Advisory Council of the SC
SC	:	Securities Commission Malaysia
Share(s) or **Vestland Share(s)**	:	Ordinary shares in Vestland
SK Wong	:	Wong Sai Kit, our Promoter, Specified Shareholder, Offeror, Substantial Shareholder and Executive Director
SOCSO	:	Social Security Organisation Malaysia, also known as PERKESO (Pertubuhan Keselamatan Sosial)
SOP(s)	:	Standard operating procedure(s)
sq. ft.	:	Square feet
Underwriting Agreement	:	Underwriting agreement dated 30 November 2022 entered into between our Company and AmInvestment Bank, being our Underwriter for the underwriting of 74,961,000 Issue Shares under the Public Issue
V Group Land	:	V Group Land Sdn Bhd (formerly known as Vestland Holding Sdn Bhd) (Registration No. 201801016941 (1278957-H))
V Realty	:	V Realty Sdn Bhd (formerly known as Vestland Realty Sdn Bhd) (Registration No. 202001020025 (1376345-U))

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GLOSSARY OF TECHNICAL TERMS

This glossary contains 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 meanings or usage of these terms.

Building construction	:	Physical construction of buildings and structure which typically includes new works, repairs, additions and alterations as well as erection of prefabricated buildings or structures on the site
CF/CCC	:	A Certificate of Fitness for Occupation or Certificate of Completion and Compliance is issued by a qualified person being the professional architect or professional engineer or registered building draughtsman who is registered with the Board of Architects Malaysia or Board of Engineers Malaysia to certify that the development project is completed in accordance with the approved building plans and is safe and fit for occupation
CMGD	:	Certificate of making good defects, issued by the project's architect on behalf of the client to the contractor, all the defects notified have been made good or have been dealt with upon expiry of the defects liability period. However, it shall not prejudice any other rights in regards to latent defects or other breaches of the building construction contract involved
CPC	:	A certificate of practical completion is issued to the contractor by the architect that is appointed by the customer when the contractor has completed its assigned obligations and handed the work to the client
DLP	:	Defect liability period, a period of time after a project has been completed where the developer is obliged to return to the site to remedy defects, if any
EOT	:	Extension of time for a delay which could not be reasonably foreseen at the time of contract signing. The granting of an extension of time relieves the contractor from liability of damages such as LAD from the original date of contract completion for the period of the claim
Formwork	:	Temporary structures made of steel/aluminium/wood materials to serve as moulds for concrete to be poured in
Industrial building system (IBS)	:	It is a construction technique that covers the use of mechanisation and prefabrication of components for building construction. It is mainly categorised into formwork system, precast concrete components or use of large concrete blocks where the components such as slabs, beams, columns and walls are prefabricated or casted on site. The IBS provides the advantage of improved quality with minimum wastage, shorter completion time, lower workforce required and lower overall construction costs.
ISO	:	International Organisation for Standardisation, a non-government organisation based in Geneva, Switzerland. A developer and publisher of international standards. International standards give state of the art specialisations for products, services and good practice, helping to make industries more efficient and effective
LAD	:	Liquidated and ascertained damages, which are damages due to a client, calculated at a rate as stated in the contract when a contractor fails to deliver the completed work within the period stipulated in the said contract agreement

GLOSSARY OF TECHNICAL TERMS *(cont'd)*

Letter of Award	:	A formal award of a project by a client to the contractor
M&E	:	Mechanical and engineering
Main contractor	:	A person or a firm appointed by the property developer or building owner and is generally responsible for overseeing and completing the entire construction job. The main contractor may engage subcontractors to carry out a certain portion of the construction work. The property developer or owner may sometimes appoint their preferred subcontractors especially for specialised works such as foundation works or suppliers for building materials.
NSC	:	Nominated subcontractor, refers to subcontractors of construction works selected by the customer
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
Rectification works	:	Also known as remedial works, refers to any improvements or correction of defects in workmanships which are identified during the DLP to make good works done by our Group
Residential building	:	Buildings intended for human habitation, examples of which include apartments, condominiums, detached houses, link houses, flats, semi-detached houses, terraced houses and town houses
RUMAWIP	:	Federal Territories Affordable Housing (Rumah Mampu Milik Wilayah Persekutuan)
Serviced apartment	:	High rise multi dwelling buildings on commercial land operated in a similar fashion to a hotel that is used by fee paying guests for short, medium or long term stay. It is also common that such buildings are used as residential apartments or condominiums for permanent stay by the owners or leased out to tenants
SOHO	:	Small office home office
SPKK	:	Certificate of Government Procurement Works (Sijil Perolehan Kerja Kerajaan)
Subcontractor	:	A person or a firm appointed by the property developer, building owner or main contractor to carry out a certain portion of a construction project
Substructure	:	The bottom part of a building or structure below the ground level which comprises the foundation including piles, retaining walls and basements
Superstructure	:	The building or structure above the ground level
TPC	:	Total package contractor, who is the contractor responsible for the entire construction project up to the completion of the construction, with the exception of submission and obtaining the necessary approvals and permits including construction permit from the local council for each project site and a valid certificate of fitness for the construction equipment to be used at the construction site. As for design and build projects, TPC is responsible for coordinating the submission of the building design by the architects and relevant professionals to the authorities for approval.

PROJECTS

PROJECT NAME		BRIEF DESCRIPTIONS
ACCH Project	:	Refers to the construction of 60 units of houses and related facilities for the Armed Forces in Cameron Highlands, Pahang
Armani Subang SOHO Project	:	Refers to design and build of 1 block of 26-storey SOHO and related facilities in Subang Jaya, Selangor
Beluran Police Camp Project	:	Refers to design and build of housing complexes, administration buildings and related facilities for General Operation Force (PGA) Malaysia in Beluran, Sabah
BSP21 Condominium Project	:	Refers to the construction of 1 block of 27-storey serviced apartments and related facilities located in Kuala Langat, Selangor
Cameron Fair Project	:	Refers to the construction of a mixed-used commercial building which includes a commercial centre, serviced suites of 175 rooms and management office, basement carpark and a hotel in Cameron Highlands, Pahang. The scope of work for the construction of hotel also includes interior fit-out works.
CPL Aromas Pulau Indah Project	:	Refers to the construction of a detached industrial building of warehouse, office, factory, electrical substation, guard house and related facilities in Klang, Selangor
Disable Home Project	:	Refers to the demolition of a 2-storey bungalow house and reconstruction of a 3-storey bungalow house in Petaling Jaya, Selangor
D'vine Residences Project	:	Refers to the construction of 1 block of 45-storey affordable serviced apartments and related facilities in Mukim of Sungai Buloh, Selangor
Entertainment Studio Project	:	Refers to the renovation and fit-out works for an entertainment studio at Pavilion Elite in Kuala Lumpur
Genting Midhill Project	:	Refers to the construction of 1 block of 17-storey, 1 block of 19-storey and 1 block of 14-storey serviced apartments and podiums in Bentong, Pahang
Glenz Mixed Commercial Development Project	:	Refers to the construction of 1 block of 22-storey (inclusive of basement and elevated carpark) commercial centre comprising of hotel, offices, shop lots and related facilities in Shah Alam, Selangor
Habu Cameron Infrastructure Project	:	Refers to the construction and completion of earthworks and infrastructure works for construction of mixed development comprising shop offices and serviced apartment, town houses, 1 water storage tank, 1 pump house and 1 sewage treatment plant located in Cameron Highlands, Pahang
Habu Project	:	Refers to the construction of workers' quarters in Cameron Highlands, Pahang
Kalista Park Homes Project	:	Refers to the construction of 46 units of 3-storey terrace houses and semi-detached houses in Shah Alam, Selangor
KKB Academic Building and Student Accommodation Project	:	Refers to the construction of an academic building and 2 blocks of hostel in Kuala Kubu Bahru, Selangor

PROJECTS *(cont'd)*

KKIP Warehouse Project	:	Refers to the design and build of 44 units of semi-detached warehouses at Kota Kinabalu Industrial Park (KKIP) in Kota Kinabalu, Sabah.
Malaysian Armed Forces (Package 3) Project	:	Refers to the fit-out works and supply of loose furniture for 2,000 units of houses for the Armed Forces in Bukit Jalil, Kuala Lumpur
MyEG Project	:	Refers to the design and build of a hostel for foreign workers in Pasir Gudang, Johor. The MyEG Project was terminated based on mutual agreement on 29 July 2019
N53 Super Link House Project	:	Refers to the construction of 53 units of 2-storey superlink houses in Sepang, Selangor
Pearl Suria Residence Project	:	Refers to the completion of the balance of work for the construction of 1 block of 25-storey mixed-used commercial building including basement and elevated carpark, commercial area and 403 units of apartments in Old Klang Road, Kuala Lumpur
Pengerang Project	:	Refers to the construction of conventional building including architectural and structural works in Pengerang, Johor. The Pengerang Project was terminated based on mutual agreement on 28 May 2019
Permas City Project	:	Refers to the completion of the remaining works for 1 block of hotel, 3 blocks of shop offices, M&E services and external works comprised in a commercial complex located at Mukim of Plentong in Johor Bahru, Johor
Plot 10	:	Refers to the slope stabilisation works on Plot 10 for the construction of mixed-use commercial buildings including office towers, serviced apartments, SOHO, affordable serviced apartments, commercial buildings and related facilities in Mukim of Sungai Buloh, Selangor
Plot 3	:	Refers to the construction and completion of earthworks and rock hacking works on Plot 3 for the construction of 2 blocks of 36-storey serviced apartment and related facilities in Mukim of Sungai Buloh, Selangor
Plot 9B	:	Refers to the construction and completion of earthworks and related works on Plot 9B for the construction of 1 block of 48-storey serviced apartment and related facilities in Mukim of Sungai Buloh, Selangor
Plot 9C	:	Refers to the construction and completion of earthworks and related works on Plot 9C for the construction of 1 block of 48-storey serviced apartment and related facilities in Mukim of Sungai Buloh, Selangor
Plot 9D	:	Refers to the construction and completion of site preparation and earthworks on Plot 9D for the construction of 1 block of 46-storey serviced apartment and related facilities in Mukim of Sungai Buloh, Selangor
PPA1M Houses Project	:	Refers to the construction of 72 units of affordable double storey houses, religious building and related facilities under 1 Malaysia Civil Servants' Housing Program (PPA1M) in Pasir Mas, Kelantan
Putrajaya Hotel Project	:	Refers to the demolition and renovation works including fitting of partitions, door panels, sanitary wares, finishing works, mechanical and electrical works as well as interior fit-out works for a hotel in Putrajaya
Raja Uda Project	:	Refers to design and build of 1 block of 41-storey serviced apartment and related facilities at Lorong Raja Uda 1, Kuala Lumpur

PROJECTS *(cont'd)*

Residensi Armani Bukit Lanjan Project	:	Refers to design and build of a 33-storey building consisting of apartment and affordable apartment and related facilities in Segambut, Kuala Lumpur
Residensi Armani Petaling (Cheras) Project	:	Refers to design and build of 1 block of 17-storey apartment and 1 block 11-storey affordable apartment and related facilities in Cheras, Kuala Lumpur
Selangor Cyber Valley (Phase 1) Project	:	Refers to the design and build of 1,201 units of affordable apartments and related facilities in Cyberjaya, Selangor
Semi-D and Bungalow Houses (Pujaan) Project	:	Refers to the construction of 28 units of 1-storey and 2-storey semi-detached houses and 1 unit of 2-storey bungalow house and related facilities in Kuala Langat, Selangor
Sg. Long Show Unit Project	:	Refers to the construction of a show unit in Hulu Langat, Selangor
Tanah Rata Cameron Project	:	Refers to design and build of 1 block of 15-storey and 1 block of 12-storey serviced apartments and related facilities in Cameron Highland, Pahang
Themepark Project	:	Refers to interior fit-out works for Next Gen Edutainment Theme Park at 1 Utama Shopping Centre in Petaling Jaya, Selangor
Three33 Residence Project	:	Refers to the construction of 1 block of 23-storey (inclusive of basement carpark and podium) serviced apartments and related facilities in Mukim of Batu, Kuala Lumpur
TUDM Army Camp Package 2 Project	:	Refers to the rectification and completion of the remaining works for the construction, fit-out and commissioning of facilities and infrastructure of the Royal Malaysian Air Force in Subang Air Base in Subang, Selangor (Package 2)
TUDM Army Camp Package 3 Project	:	Refers to the rectification and completion of the remaining works for the construction, fit-out and commissioning of facilities and infrastructure of the Royal Malaysian Air Force in Subang Air Base in Subang, Selangor (Package 3)
Zenopy Residences Project	:	Refers to the construction of shop units and carparks in Bandar Putra Permai, Selangor

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Designation	Address	Nationality
Dato' Mathialakan A/L Chelliah	Independent Non-Executive Chairman	13, Lengkok Zaaba Satu Taman Tun Dr Ismail 60000 Kuala Lumpur Wilayah Persekutuan	Malaysian
Datuk Liew Foo Heen	Non-Independent Group Managing Director	No. 6, Jalan Camar 4/19 Sierra Damansara Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan	Malaysian
Wong Sai Kit	Non-Independent Executive Director	No. 5, Jalan RP7/12 Taman Prima Ville Rawang Perdana 48000 Rawang Selangor Darul Ehsan	Malaysian
Ong Wei Liam @ Jeremy Ong	Independent Non-Executive Director	B-17-03, Tiffani Kiara No 1, Changkat Duta Kiara Mont Kiara 50480 Kuala Lumpur Wilayah Persekutuan	Malaysian
Dato' Yong Lei Choo	Independent Non-Executive Director	B-3-3, Cita Damansara No 2, Jalan PJU 3/27 Sunway Damansara 47810 Petaling Jaya Selangor Darul Ehsan	Malaysian
Wee Chuen Lii	Independent Non-Executive Director	No. 4, Jalan BPP 3/6 Pusat Bandar Putra Permai 43300 Seri Kembangan Selangor Darul Ehsan	Malaysian

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Wee Chuen Lii	Chairman	Independent Non-Executive Director
Dato' Yong Lei Choo	Member	Independent Non-Executive Director
Ong Wei Liam @ Jeremy Ong	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY *(cont'd)*

REMUNERATION COMMITTEE

Name	Designation	Directorship
Ong Wei Liam @ Jeremy Ong	Chairman	Independent Non-Executive Director
Dato' Yong Lei Choo	Member	Independent Non-Executive Director
Wee Chuen Lii	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Dato' Yong Lei Choo	Chairman	Independent Non-Executive Director
Ong Wei Liam @ Jeremy Ong	Member	Independent Non-Executive Director
Wee Chuen Lii	Member	Independent Non-Executive Director

COMPANY SECRETARIES : Tan Hsiao Yuen

Professional Qualification : Chartered Secretary, Malaysian Institute of Chartered Secretaries and Administrators ("**MAICSA**") (Membership No.: MAICSA 7056952) (SSM Practicing Certificate No.: 201908002342)
Tel No. : +603-2783 9106

Wong Wai Foong

Professional Qualification : Chartered Secretary, MAICSA (Membership No.: MAICSA 7001358) (SSM Practicing Certificate No.: 202008001472)
Tel No. : +603-2783 9138

Unit 30-01, Level 30, Tower A,
Vertical Business Suite, Avenue 3
Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur

REGISTERED OFFICE : Unit 30-01, Level 30, Tower A,
Vertical Business Suite, Avenue 3
Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur

Tel No. : +603-2783 9191
Fax No. : +603-2783 9111

1. CORPORATE DIRECTORY *(cont'd)*

HEAD OFFICE	:	D-08-03, Menara Mitraland No. 13A, Jalan PJU5/1 Kota Damansara PJU 5 47810 Petaling Jaya Selangor Darul Ehsan Tel No. : +603-7662 1288 Fax No. : +603-7662 1293 Email : info@vestland.com.my Website : www.vestland.com.my
PRINCIPAL ADVISER, SPONSOR, PLACEMENT AGENT AND UNDERWRITER	:	AmInvestment Bank Berhad (Registration No. 197501002220 (23742-V)) Level 21, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No. : +603-2036 2633 Fax No. : +603-2032 4263
AUDITORS AND REPORTING ACCOUNTANTS	:	Grant Thornton Malaysia PLT Firm No. 201906003682 (LLP0022494-LCA) & AF 0737 Level 11, Sheraton Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur Tel No. : +603-2692 4022 Fax No. : +603-2732 1010 Partner-in-charge : Lui Lee Ping Approval No. : 03334/11/2023(J) Professional Qualification : Chartered Accountant, Malaysian Institute of Accountants ("**MIA**") (MIA Membership No.: 29126)
SOLICITORS	:	Mah-Kamariyah & Philip Koh 3A07 Block B, Phileo Damansara II 15 Jalan 16/11, Off Jalan Damansara 46350 Petaling Jaya Selangor Darul Ehsan Tel No. : +603-7956 8686 Fax No. : +603-7956 2208

1. CORPORATE DIRECTORY *(cont'd)*

INDEPENDENT MARKET RESEARCHER	:	Vital Factor Consulting Sdn Bhd V Square @ PJ City Centre (VSQ) Block 6, Level 6 Jalan Utara 46200 Petaling Jaya Selangor Darul Ehsan Tel No. : +603-7931 3188 Fax No. : +603-7931 2188 Person-in-charge : Wong Wai Ling Professional Qualification : Bachelor of Arts from Monash University, Australia; Graduate Diploma in Management Studies from the University of Melbourne, Australia
ISSUING HOUSE AND SHARE REGISTRAR	:	Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel No. : +603-2783 9299 Fax No. : +603-2783 9111
LISTING SOUGHT	:	ACE Market of Bursa Securities
SHARIAH STATUS	:	Approved by the SAC

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2. APPROVALS AND CONDITIONS

2.1 APPROVALS AND CONDITIONS

2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 13 October 2022, approved our Listing.

The approval from Bursa Securities is subject to compliance with the following conditions:

Conditions	Status of compliance
1. Submit the following information with respect to the moratorium on the shareholdings of the Specified Shareholders and Substantial Shareholders to Bursa Depository: (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares.	To be complied
2. Confirm that approvals from other relevant authorities have been obtained for implementation of the Listing.	Complied
3. The Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon.	Complied
4. Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Note 15 of the Listing Requirements.	To be complied
5. Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of Vestland on the first day of Listing.	To be complied
6. In relation to the public offering to be undertaken by Vestland, 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 prescribed format by Bursa Securities; and (iv) Disclosure of placees who become substantial shareholders of Vestland arising from the public offering, if any.	To be complied
7. Vestland / AmInvestment Bank to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of Vestland to the Official List of the ACE Market.	To be complied

2.1.2 SC

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 14 October 2022, approved the resultant equity structure of our Company under the equity requirements for public listed companies pursuant to our Listing, subject to compliance with the following conditions:

	Conditions	Status of compliance
1.	Vestland allocating shares equivalent to 12.5% of its enlarged number of issued shares at the point of Listing to Bumiputera investors to be approved by the MITI.	To be complied
2.	Vestland to make available at least 50.0% of the IPO Shares offered to the Malaysian public investors via balloting to Bumiputera public investors at the point of Listing.	To be complied

The effects of our Listing on the equity structure of our Company are as follows:

	As at the date of this Prospectus		After our Listing	
Category of shareholders	**No of Shares**	**% of no. of issued Shares**	**No of Shares**	**% of no. of issued Shares**
Bumiputera				
- Malaysian public via balloting	-	-	23,608,000	2.50
- Bumiputera investors approved by the MITI	-	-	118,039,000	12.50
Total Bumiputera	**-**	**-**	**141,647,000**	**15.00**
Non-Bumiputera	774,308,700(1)	100.00	802,661,700(2)	85.00
Malaysians	**774,308,700**	**100.00**	**944,308,700**	**100.00**
Foreigners	-	-	-	-
Total	**774,308,700**	**100.00**	**944,308,700**	**100.00**

Notes:

(1) Held by Datuk Liew and SK Wong.

(2) Assuming:

(i) all the remaining 23,608,000 Issue Shares made available for application by the Malaysian Public through a balloting process, are fully subscribed by Malaysians who are non-Bumiputera;

(ii) all Eligible Persons subscribed in full of their Issue Shares under the Pink Form Allocations are non-Bumiputera; and

(iii) all the 47,800,000 Offer Shares allocated to selected investors are fully subscribed by Malaysian selected investors and all these investors are non-Bumiputera.

2.1.3 SAC

The SAC had, vide its letter dated 18 May 2022 classified our securities as Shariah-compliant based on our audited financial statements for the FYE 2021.

2. APPROVALS AND CONDITIONS *(cont'd)*

2.1.4 MITI

The MITI has, vide its letter dated 1 August 2022, stated that it has taken note of and has no objection to our Listing.

2.2 MORATORIUM ON OUR SHARES

In compliance with Rule 3.19(1) 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 Shares held by our Specified Shareholders as follows:

(i) the moratorium applies to the entire shareholdings of 703,508,700 Shares held by our Specified Shareholders, namely Datuk Liew and SK Wong for a period of six months from the date of our Listing ("**First 6-Month Moratorium**");

(ii) upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholders' aggregate shareholdings amounting to at least 45% of our total number of issued Shares remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and

(iii) on the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of one-third per annum (on a straight-line basis) of their Shares held under moratorium.

Details of our Specified Shareholders and their Shares which will be subject to the abovesaid moratorium are as set out below:

Specified Shareholders	Under First 6-Month Moratorium		Under Second 6-Month Moratorium		After the Second 6-Month Moratorium	
	No. of Shares(1)	%(2)	No. of Shares	%(2)	No. of Shares	%(2)
Datuk Liew	597,982,400	63.33%	361,198,081	38.25%	240,798,721	25.50%
SK Wong	105,526,300	11.17%	63,740,834	6.75%	42,493,889	4.50%
	703,508,700	**74.50%**	**424,938,915**	**45.00%**	**283,292,610**	**30.00%**

Notes:

(1) After Offer for Sale.

(2) Based on the enlarged total number of 944,308,700 Shares after our IPO.

The moratorium has been fully accepted by our Specified Shareholders, namely Datuk Liew and SK Wong, who have provided written undertakings to Bursa Securities that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period so as to comply with the moratorium conditions as set out in Rule 3.19(1) of the Listing Requirements.

The above moratorium restriction, which is fully acknowledged by our Specified Shareholders, are specifically endorsed on the share certificates representing their Shares under moratorium held by our Specified Shareholders to ensure that our Share Registrar does not register any sale, transfer or assignment of their Shares that contravenes the aforesaid restriction.

3. 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.

3.1 PRINCIPAL DETAILS OF OUR 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.

Allocation	No. of Shares	%[1]
Public Issue		
Malaysian Public (via balloting):		
- Public investors	23,608,000	2.50
- Bumiputera public investors	23,608,000	2.50
	47,216,000	5.00
Eligible Persons	27,745,000	2.94
Private placement to identified Bumiputera investors approved by the MITI	95,039,000	10.06
Sub-total	**170,000,000**	**18.00**
Offer for sale		
Private placement to identified Bumiputera investors approved by the MITI	23,000,000	2.44
Private placement to selected investors	47,800,000	5.06
Sub-total	**70,800,000**	**7.50**
Total	**240,800,000**	**25.50**

Enlarged number of Shares upon Listing	944,308,700
IPO Price per Share	RM0.33
Market capitalisation[2]	RM311,621,871

Notes:

(1) Based on the enlarged total number of 944,308,700 Shares after our IPO.

(2) Based on our IPO Price and our enlarged number of Shares upon Listing.

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

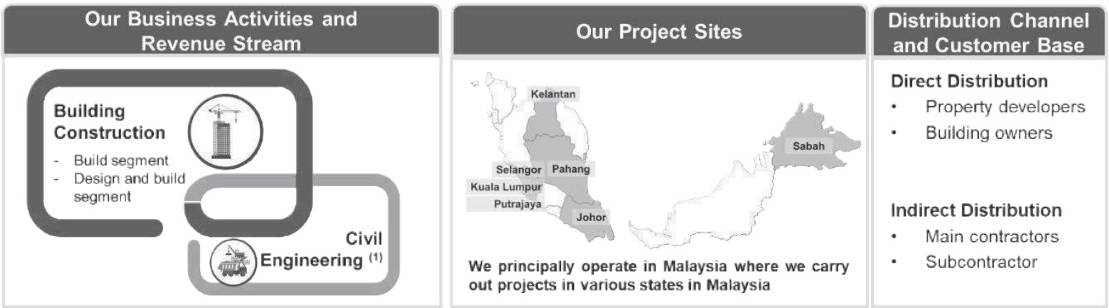
Our Specified Shareholders' entire shareholdings after IPO will be held under moratorium for 6 months from the date of Listing. Further details on the moratorium on our Shares are set out in Section 2.2 of this Prospectus.

3.2 BUSINESS MODEL

Our Company was incorporated in Malaysia under the CA 2016 on 10 November 2021 as a private limited company under the name of Vestland Sdn Bhd and was subsequently converted to a public limited company on 28 April 2022 and adopted our present name of Vestland Berhad.

We are an investment holding company and we are primarily involved in the construction of residential and non-residential buildings through our wholly-owned subsidiary, Vestland Resources which was incorporated in Malaysia under the Companies Act 1965 on 26 January 2011 as a private limited company.

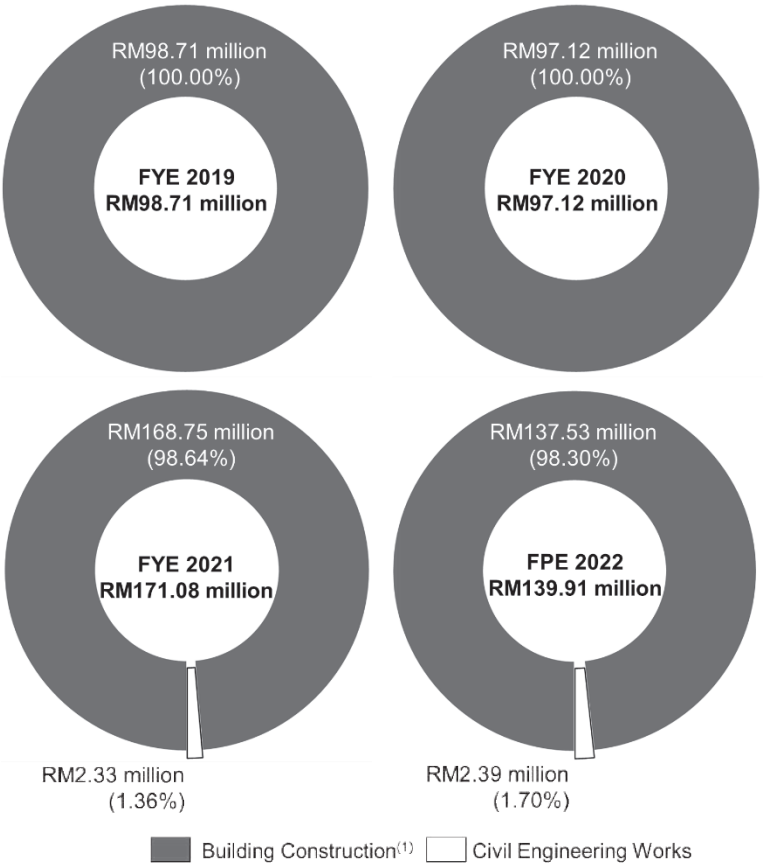
The following is an overview of our Group's business model:



Note:

(1) We secured our civil engineering work projects in FYE 2021 and therefore no revenue was recorded for the civil engineering works segment for FYE 2019 and FYE 2020.

Our revenue breakdown by segments are as follows:



Note:

(1) Revenue from building construction include renovation works and interior fit-out works.

Our revenue for the Financial Years and Period Under Review was mainly derived from projects located in various states in Malaysia and from the construction of both non-residential buildings and residential buildings.

Further details of our Group and our business overview are set out in Sections 6 and 7 of this Prospectus.

3.3 OUR COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

(i) We have an established track record of 11 years as a building contractor in the construction industry since the commencement of our business in 2011. For the Financial Years and Period Under Review and up to the LPD, we have completed 16 build projects with a collective contract value of RM670.03 million. As at the LPD, we have 3 on-going build projects, 8 on-going design and build projects as well as 3 projects in civil engineering works. Our established track record provides an important reference site to our existing and prospective customers and more importantly, it provides our customers with the assurance of our commitment to providing quality workmanship in our construction projects.

(ii) We have the experience and capabilities in the construction of a diverse range of residential and non-residential buildings for private and public sectors. For the Financial Years and Period Under Review and up to the LPD, our secured building construction projects for both private and public sectors by type of buildings are as follows:

Type of Building	Commercial	Government [2]	Residential	Industrial	Others [3]	Total
Total contract value (RM '000) [1]	545,117	603,908	118,351	96,317	4,192	1,367,885

Notes:

(1) Based on the letter of award including variation orders, work orders or purchase orders for the FYE 2019, FYE 2020, FYE 2021, FPE 2022 and up to the LPD.

(2) Government building projects include Beluran Police Camp Project, KKB Academic Building and Student Accommodation Project, Malaysian Armed Forces (Package 3) Project and Selangor Cyber Valley (Phase 1) Project which were secured from main contractors.

(3) Others include projects which we carried out renovation and interior fit out works for an Entertainment Studio Project and Themepark Project.

Our diverse project portfolio provides us with the experience, track record and the platform to bid for the construction of various types of building in both the private and the public sectors.

(iii) We have construction projects across the different states in Malaysia. As at the LPD, our outstanding order book by states are as below:

State	Selangor	Sabah	Kuala Lumpur	Pahang	Johor	Total
Outstanding order book (RM '000)	511,382	297,385	81,556	52,573	4,538	947,434

(iv) We expanded our capabilities to incorporate design and build construction projects. As at LPD, we have 8 on-going design and build projects including Residensi Armani Petaling (Cheras) Project, Residensi Armani Bukit Lanjan Project, Armani Subang SOHO Project, Beluran Police Camp Project, Raja Uda Project, Tanah Rata Cameron Project, Selangor Cyber Valley (Phase 1) Project and KKIP Warehouse Project.

(v) We have on-going projects to sustain us in the near or near-mid term. As at the LPD, we have 14 on-going projects with a total outstanding order book value of approximately RM947.43 million including the following:

- RM653.62 million from 8 on-going design and build projects including the Residensi Armani Petaling (Cheras) Project, Residensi Armani Bukit Lanjan Project, Beluran Police Camp Project, Raja Uda Project, Tanah Rata Cameron Project, Armani Subang SOHO Project, Selangor Cyber Valley (Phase 1) Project and KKIP Warehouse Project;
- RM219.54 million from 3 on-going build projects including D'vine Residences Project, KKB Academic Building and Student Accommodation Project and Permas City Project; and
- RM74.27 million from 3 on-going projects in civil engineering works including Plot 10, Habu Cameron Infrastructure Project and Plot 9D.

(vi) We have an experienced management team headed by our Group Managing Director, Datuk Liew and our Executive Director, SK Wong. They both have approximately 20 years and 22 years of experience in the construction industry respectively. They are supported by our Key Senior Management team who, depending on their roles in the Company brings with them their relevant tertiary education qualifications and relevant experience in their respective fields ranging from finance matters, project tendering, project management and implementation, contract matters, procurement and human resource management.

Further details of our competitive strengths are set out in Section 7.3 of this Prospectus.

3.4 STRATEGIES AND PLANS

Moving forward, we will continue to strengthen and leverage from our core competency in building construction as well as continue our expansion into design and build projects to support our business growth. Our strategies and plans are as set out below:

Our Future Strategies and Plans

Continue to strengthen our core competency in construction services

- Continue to expand on our order book.
- Expand on our design and build capabilities.
- Expand on our civil engineering capabilities.

Operational facility expansion

- Acquisition of New Head Office

Further details of our strategies and plans are set out in Section 7.18 of this Prospectus.

3.5 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 of this Prospectus. Some of the more important risk factors are summarised below:

(i) Our business and financial performance is dependent on our ability to secure new projects to ensure the continuity of our order book to sustain our business. As such, there is no assurance that we will be able to continue to secure new projects and to sustain or grow our business. In the event that we are unable to secure any new projects, our order book will decline over time and this would adversely affect our sustainability and financial performance in the future. In addition, there can be no assurance that our current order book can be continually maintained at such a level in the future. Generally, any reductions in the contract value or scope of work for the projects secured in our order book will reduce the revenue to be generated. This in turn may affect the value of our order book and ultimately affect our long-term sustainability, business growth and future financial performance.

(ii) Our business and financial performance may be affected if there are delays or cancellations of our projects. In the event of any delays in the completion of our projects which may possibly due to inter-alia, inability of the subcontractors appointed by us to fulfil their scope of work on time or delay/shortages by our suppliers in providing construction materials and adverse weather conditions, which are beyond our control, we could be liable for LAD claims and/or penalties from customer which will adversely affect our financial performance and reputation. Any cancellation or termination of our projects may lead to an unfavorable financial performance.

(iii) We face the risk of cost overruns for our projects as they are mainly based on a fixed contract value. For a fixed contract value, as we are unable to pass the increases in cost to our customers, any unanticipated cost increases during the project execution and construction period would adversely affect our financial performance.

(iv) We are dependent on the services and quality of our subcontractors to perform certain works for our construction projects. Any failure by a subcontractor to fulfil its contractual obligations may lead to delays in completion of the project, thereby resulting in penalties being imposed on our Group by our customers. If we are unable to claim such penalties from our subcontractors, this could adversely affect our Group's financial performance.

(v) Our business operations are dependent on our ability to obtain project financing and we are exposed to interest rate risk that may result in financial distress if we fail to meet our financial and performance obligations.

(vi) Our business operations and financial performance may be adversely affected if the COVID-19 pandemic is prolonged as this could result in disruptions and delays to our project execution and implementation thus causing delays to our billing schedules.

(vii) Our business operations may be exposed to liquidity risk from either delay in collections or non-recoverability of trade receivable/retention sum or collections in payment in kind (Contra Payment) that may affect our cash flow and working capital.

3.6 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and Key Senior Management are as follows:

Name	Designation
Directors	
Dato' Mathialakan A/L Chelliah	Independent Non-Executive Chairman
Datuk Liew	Group Managing Director
SK Wong	Executive Director
Ong Wei Liam @ Jeremy Ong	Independent Non-Executive Director
Dato' Yong Lei Choo	Independent Non-Executive Director
Wee Chuen Lii	Independent Non-Executive Director
Key Senior Management	
Low Choon Wei	Chief Financial Officer
Lim Tow Uen	Head of Contracts, Projects and Purchasing Departments
Sr Ooi Yiqing	Contracts Manager
Soh Chee Wah	Senior Project Manager
Chan Chooi Mee	Purchasing Manager
Christina Nair A/P Narayanan	Human Resource Manager

Further details of our Directors and Key Senior Management are set out in Section 5 of this Prospectus.

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3.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The details of our Promoters and Substantial Shareholders and their respective shareholdings in our Company before and after our IPO (assuming all 240,800,000 IPO Shares are fully subscribed for) are as follows:

		Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
Name	**Nationality**	**No. of Shares**	**(1)%**	**No. of Shares**	**(1)%**	**No. of Shares**	**(2)%**	**No. of Shares**	**(2)%**
Datuk Liew	Malaysian	658,162,400	85.00	-	-	597,982,400(3)	63.33	-	-
SK Wong	Malaysian	116,146,300	15.00	-	-	105,526,300(3)	11.17	-	-

Notes:

(1) Based on the total number of 774,308,700 Shares as at the date of this Prospectus but prior to our IPO.

(2) Based on the enlarged total number of 944,308,700 Shares after our IPO.

(3) After Offer for Sale.

Our Promoters and Substantial Shareholders have the same voting rights with the other shareholders of our Group as all our Shares before and after our IPO are of the same class.

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3.8 UTILISATION OF PROCEEDS FROM OUR IPO

The proceeds of RM56.10 million to be raised from the Public Issue is expected be utilised in the following manner:-

Details of utilisation	Estimated timeframe for utilisation upon our Listing	RM'000	%
Acquisition of the new head office / refinancing of borrowings for acquisition of the new head office	Within 3 months	7,502	13.37
Performance bonds and/or cash deposits for construction projects	Within 15 months	10,800	19.25
Working capital	Within 12 months	33,498	59.71
Estimated listing expenses	Within 3 months	4,300	7.67
Total		**56,100**	**100.00**

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

Detailed information on our utilisation of proceeds is set out in Section 4.5 of this Prospectus.

The gross proceeds from the Offer for Sale of approximately RM23.36 million will accrue entirely to the Offerors.

3.9 OUTBREAK OF COVID-19 PANDEMIC

Due to the outbreak of the COVID-19 pandemic, our Group had experienced disruptions to our business operations and at the project sites due to the various stages of MCO 1.0, FMCO and NRP. However, our Board is of the view that the delays and disruptions in our projects will not have a material impact on our financial performance as we have resumed operations on our project sites and we have not received any cancellations or suspensions of contracts. In addition to that, we also did not experience any reduction in our scope of work due to the pandemic.

Over the course of MCO 1.0, MCO 2.0, MCO 3.0, FMCO and NRP, we did not receive any claims for LADs or penalties on the delays in project completion as we managed to obtain an extension of time for the on-going projects that have been affected by the COVID-19 pandemic.

Between MCO 1.0 and up to the LPD, our Group had incurred RM0.66 million additional medical and related costs to implement precautionary measures and to comply with SOP. The pandemic had also caused delays in our revenue recognition of approximately RM4.32 million during FYE 2020, mainly due to the imposition of MCO 1.0 and RM28.15 million during FYE 2021, mainly due to the FMCO and various stages of NRP imposed during the financial year. However, we did not experience a material impact on our financial performance and we had fully recognised the aforementioned revenue of RM4.32 million in FYE 2021 and RM28.15 million as at the LPD respectively.

Further details on the material interruption to our business are set out in Section 7.12 of this Prospectus.

3.10 FINANCIAL AND OPERATIONAL INFORMATION

The following table sets out the key financial highlights of our Group for the Financial Years and Period Under Review:

	Audited			Unaudited	Audited
	FYE 2019 (RM'000)	**FYE 2020 (RM'000)**	**FYE 2021 (RM'000)**	**FPE 2021 (RM'000)**	**FPE 2022 (RM'000)**
Revenue	98,707	97,124	171,081	66,525	139,914
Cost of sales	(86,198)	(82,795)	(147,556)	(56,393)	(119,878)
GP	**12,509**	**14,329**	**23,525**	**10,132**	**20,036**
Other income	1,057	867	370	112	856
Finance income	102	178	154	30	143
Administrative and operating expenses	(3,645)	(4,534)	(7,723)	(3,753)	(5,193)
Finance cost	(653)	(1,221)	(1,733)	(722)	(771)
PBT	**9,370**	**9,619**	**14,593**	**5,799**	**15,071**
Tax expense	(2,205)	(2,610)	(3,958)	(1,597)	(4,405)
PAT / Total comprehensive income for the financial year	**7,165**	**7,009**	**10,635**	**4,202**	**10,666**
Key financial ratios					
GP Margin (%)[1]	12.67	14.75	13.76	15.23	14.32
PBT Margin (%)[2]	9.49	9.90	8.53	8.72	10.77
PAT Margin (%)[3]	7.26	7.22	6.22	6.32	7.62
Basic EPS/ Diluted EPS (sen)[4]	0.76	0.74	1.13	0.45	1.13

	Audited			
	FYE 2019 (RM'000)	**FYE 2020 (RM'000)**	**FYE 2021 (RM'000)**	**FPE 2022 (RM'000)**
Net cash from/(used in) operating activities	3,306	(6,558)	6,095	6,477
Dividends declared and paid	2,250	-	-	-
Cash and cash equivalents	3,920	(262)	3,889	24,670
Total assets	111,173	121,121	168,752	209,268
Net assets	28,805	35,814	46,450	57,115
Key financial ratios				
Current ratio (times)[5]	1.08	1.46	1.26	1.28
Gearing ratio (times)[6]	0.54	0.95	0.61	0.77
Trade receivables turnover period (days)[7]	83	119	107	85
Trade payables turnover period (days)[8]	107	112	99	89

Notes:

(1) GP margin is computed based on GP divided by the revenue of our Group.

(2) PBT margin is computed based on PBT divided by the revenue of our Group.

(3) PAT margin is computed based on PAT divided by the revenue of our Group.

(4) Basic and Diluted EPS are computed based on the PAT divided by the expected number of shares after taking into account the public issue of shares pursuant to the IPO.

(5) Computed based on the current assets over the current liabilities as at the respective financial year/period.

(6) Computed based on the total borrowings (including lease liabilities owing to financial institutions) over the total equity as at the respective financial year/period.

(7) Computed based on net average trade receivables (excluding retention sums) over total revenue and multiplied by 365 days/181 days. Average trade receivables is calculated by adding the closing balance of net trade receivables of the financial year/period with that of the previous financial year, and dividing the total by 2.

(8) Computed based on net average trade payables (excluding retention sums) over total cost of sales and multiplied by 365 days/181 days. Average trade payables is calculated by adding the closing balance of net trade payables of the financial year/period with that of the previous financial year, and dividing the total by 2.

Further details on our financial information are set out in Sections 12 and 14 of this Prospectus.

3.11 DIVIDEND POLICY

Our Group presently does not have any formal dividend policy. It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. Our Board will consider the following factors (which may not be exhaustive) when recommending dividends for approval by our shareholders or when declaring any interim dividends:-

(i) the level of cash and level of indebtedness;

(ii) required and expected interest expense, cash flows, profits, return on equity and retained earnings;

(iii) our expected results of operations and future level of operations;

(iv) our projected levels of capital expenditure and other investment plans; and

(v) prior written consent from financial institutions, where required, for financial covenants in which Vestland Resources is subject to, in relation to the ability of our subsidiary to transfer funds in the form of cash dividend, loans or advances to us.

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4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The period for Application will open at 10.00 a.m. on 27 December 2022 and will remain open until 5.00 p.m. on 16 January 2023. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 PARTICULARS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus. Our IPO Shares will be issued or offered at the IPO Price of RM0.33, payable in full upon application and will comprise the following:-

4.2.1 Public Issue

Public Issue of 170,000,000 Issue Shares at the IPO Price (representing approximately 18.00% of our enlarged total number of Shares) will be allocated in the following manner:-

(i) Malaysian Public (via balloting)

47,216,000 Issue Shares (representing approximately 5.00% of our enlarged total number of Shares) to be allocated via balloting, will be made available for application by the Malaysian Public, of which 50% is reserved for subscription by Bumiputera public investors.

In this respect, 23,608,000 Issue Shares (representing 2.50% of our enlarged total number of Shares) will be set aside for Bumiputera public investors.

Any IPO Shares reserved under the Malaysian Public balloting portion which are not fully subscribed for by the Malaysian Public will be made available for subscription as follows:

(a) firstly, by the Eligible Persons (excluding the eligible Directors) under the Pink Form Allocations as described in Section 4.2.1(ii) of this Prospectus;

(b) secondly, by selected investors as described in Section 4.2.2 of this Prospectus; and

(c) lastly, by our Underwriter based on the terms of the Underwriting Agreement.

(ii) Eligible Persons

27,745,000 Issue Shares (representing approximately 2.94% of our enlarged total number of Shares), will be made available for application by the Eligible Persons.

We will allocate the Issue Shares to the Eligible Persons in the following manner:-

Category	Note	No. of Persons	Aggregate no. of Issue Shares allocated
Our eligible Directors	(a)	4	1,200,000
Our eligible employees	(b)	95	7,709,000
Persons who have contributed to the success of our Group	(c)	21	18,836,000

Notes:

(a) The criteria for allocation to our eligible Directors are based on amongst others, their respective roles, responsibilities and expected contributions to our Group. The number of Issue Shares to be allocated to our eligible Directors is as follows:

Name	Designation	No. of Issue Shares
Dato' Mathialakan A/L Chelliah	Independent Non-Executive Chairman	300,000
Ong Wei Liam @ Jeremy Ong	Independent Non-Executive Director	300,000
Dato' Yong Lei Choo	Independent Non-Executive Director	300,000
Wee Chuen Lii	Independent Non-Executive Director	300,000

Our Group Managing Director, Datuk Liew and Executive Director, SK Wong have opted not to participate in the Pink Form Allocations as they are already our Substantial Shareholders.

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

(aa) our employees must be confirmed employees of at least 18 years old and on the payroll of our Group; and

(bb) the number of shares allocated to the eligible employees are based on their seniority, position, their length of service and their respective performance and contribution made to our Group.

(c) Persons who have contributed to the success of our Group include business contacts, customers, contractors and suppliers. The number of Issue Shares to be allocated 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 relationship as well as their level of contribution and support to our Group.

Any IPO Shares reserved under the Pink Form Allocations which are not taken up will be made available for subscription as follows:

(i) firstly, by other Eligible Persons (excluding eligible Directors);

(ii) secondly, by the Malaysian Public as described in Section 4.2.1(i) above and/or selected investors as described in Section 4.2.2 of this Prospectus; and

(iii) lastly, by our Underwriter based on the terms of the Underwriting Agreement.

Save for the allocation made available for application as disclosed in Section 4.2.1(ii) of this Prospectus, it is not known to our Company as to whether any of the Substantial Shareholders, Directors or Key Senior Management have the intention to subscribe for our IPO Shares. Our Company is also not aware as to whether there is any person intending to subscribe for more than 5% of our IPO Shares.

(iii) Private placement to identified Bumiputera investors approved by the MITI

95,039,000 Issue Shares (representing approximately 10.06% of our enlarged total number of Shares) to be allocated by way of private placement to identified Bumiputera investors approved by the MITI.

In the event of under-subscription of 4.2.1(iii) above by the identified Bumiputera investors and subject to a corresponding over-subscription by the Malaysian Public or over-subscription by selected investors, the remaining portion will be clawed-back and be made available for the investors as follows:

(a) firstly, the identified institutional investors;

(b) secondly, the Bumiputera public investors under Section 4.2.1(i) of this Prospectus;

(c) thirdly, the other Malaysian Public under Section 4.2.1(i) of this Prospectus; and

(d) lastly, the selected investors under Section 4.2.2(ii) of this Prospectus,

(collectively referred as "**MITI Clawback and Reallocation**").

4.2.2 Offer for Sale

Offer for Sale of 70,800,000 Offer Shares (representing approximately 7.50% of our enlarged total number of Shares) at the IPO Price will be made available by way of private placement in the following manner:

(i) 23,000,000 Offer Shares (representing 2.44% of our enlarged total number of Shares) to identified Bumiputera investors approved by the MITI. In the event of under-subscription of the aforementioned Offer Shares, the remaining portion will be subject to the MITI Clawback and Reallocation; and

(ii) 47,800,000 Offer Shares (representing 5.06% of our enlarged total number of Shares) to selected investors.

In the event of under-subscription of 4.2.2(ii) above and subject to a corresponding over-subscription by the Malaysian Public or Bumiputera investors approved by the MITI, the remaining portion will be clawed-back and be made available for the investors as follows:

(a) firstly, the Bumiputera investors approved by the MITI under the Public Issue and Offer for Sale; and

(b) lastly, to the Malaysian Public under Section 4.2.1(i) of this Prospectus.

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

4. DETAILS OF OUR IPO *(cont'd)*

All 47,216,000 Issue Shares allocated to the Malaysian Public and 27,745,000 Issue Shares allocated to the Eligible Persons have been fully underwritten. The 95,039,000 Issue Shares and 70,800,000 Offer Shares made available to identified Bumiputera investors approved by the MITI and selected investors respectively are not underwritten. Irrevocable undertakings will be obtained from the identified Bumiputera investors approved by the MITI and the selected investors to subscribe for our IPO Shares made available under the private placement.

The basis of allocation for our IPO Shares shall take into account our Board's intention to distribute our IPO 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 Board. There is no over-allotment or "greenshoe" option that will result in an increase in the number of our IPO shares.

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4.2.3 Offerors

The details of the Offerors and Offer Shares to be offered by each Offeror as well as their respective shareholdings in our Company as at the date of this Prospectus and after our IPO are as follows:

Name and address of the Offerors	Material relationship with our Group for the past 3 years up to the date of this Prospectus	As at the date of this Prospectus		Offer Shares offered			After our IPO	
		No. of Shares	%(1)	No. of Shares	%(1)	%(2)	No. of Shares	%(2)
Datuk Liew No. 6, Jalan Camar 4/19 Sierra Damansara Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan	Our Promoter, Substantial Shareholder and Group Managing Director	658,162,400	85.00	60,180,000	7.77	6.37	597,982,400	63.33
SK Wong No. 5, Jalan RP 7/12 Taman Prima Ville Rawang Perdana 48000 Rawang Selangor Darul Ehsan	Our Promoter, Substantial Shareholder and Executive Director	116,146,300	15.00	10,620,000	1.37	1.13	105,526,300	11.17

Notes:

(1) Based on the total number of 774,308,700 Shares as at the date of this Prospectus but prior to our IPO.

(2) Based on the enlarged total number of 944,308,700 Shares after our IPO.

4.2.4 Share capital

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

		No. of Shares	RM
(i)	**Share capital**		
	Issued share capital as at the date of this Prospectus	774,308,700	46,458,616
	New Shares to be issued pursuant to our IPO	170,000,000	54,060,000[(1)]
	Enlarged issued share capital upon Listing	**944,308,700**	**100,518,616**
(ii)	**Offer for Sale** [(2)]	70,800,000	23,364,000
(iii)	**IPO Price for each IPO Share**		0.33
(iv)	**Market capitalisation of our Company (based on the IPO Price upon Listing and our enlarged issued Shares upon listing)**		311,621,871

Notes:

(1) Based on the Public Issue of 170,000,000 IPO Shares at the IPO Price less the estimated listing expenses allowed to be set off against equity of approximately RM2.04 million.

(2) The Offer for Sale would not have an effect on our issued share capital upon Listing as the Offer Shares are in existence prior to our IPO.

4.2.5 Classes of shares and ranking

As at the date of this Prospectus and upon the completion of our IPO, we have only one class of shares, namely ordinary shares in our Company.

Our IPO Shares will, upon allotment and issuance, rank equally in all respects with our existing issued Shares in the share capital of our Company including voting rights and rights to all dividends and distributions that may be declared, made or paid subsequent to the date of allotment of our IPO Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special rights attached to any shares which we may issue in the future, our shareholders will, in proportion to the amount paid up on the Shares held by them, be entitled to share the profits paid out by us as dividends or other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Constitution, after the satisfaction of any preferential payments in accordance with the CA 2016, our Constitution and our liabilities.

At every general meeting of our Company, each of our shareholder shall be entitled to vote in person, by proxy, by attorney or by duly authorised representative.

On a show of hands, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held or represented. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy.

4.2.6 Minimum level of subscription

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

Pursuant to the Listing Requirements, a minimum of 25% of our enlarged issued Shares are required to be held by a minimum number of 200 public shareholders holding not less than 100 Shares at the point of our Listing.

In the event that the public spread requirement is not met, our Company may not be permitted to proceed with the Listing. In such event, monies paid in respect of all applications will be returned in full (without interest or any share of revenue or benefit arising therefrom) and if such monies are not returned in full within 14 days after our Company becomes liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly.

4.3 BASIS OF ARRIVING AT THE IPO PRICE

Our Directors, together with AmInvestment Bank acting as our Principal Adviser, Sponsor, Placement Agent and Underwriter have determined and agreed on the IPO Price of RM0.33 per IPO Share after considering the following factors:

(i) our Group's pro forma NA per Share as at 30 June 2022 of approximately RM0.12 based on our enlarged total number of 944,308,700 Shares and after taking into consideration our IPO and utilisation of proceeds from our IPO;

(ii) the PE Multiple of our IPO Price of approximately 29.20 times based on our EPS of approximately 1.13 sen for FYE 2021, calculated based on our combined PAT for FYE 2021 of RM10.64 million and enlarged total number of 944,308,700 Shares upon our Listing;

(iii) our outstanding order book as at the LPD of RM947.43 million, which will be recognised progressively based on the expected progress of each project. Please refer to Section 12.7 of this Prospectus for more details on our outstanding order book;

(iv) our competitive strengths as set out in Section 7.3 of this Prospectus;

(v) our future strategies and plans as set out in Section 7.18 of this Prospectus;

(vi) our Group's operating history, business and financial performance as set out in Sections 7.1, 7.2 and 12 of this Prospectus respectively; and

(vii) the market performance of Bursa Securities and anticipated demand for our IPO Shares.

However, you should also note that the market price of our Shares upon Listing is subject to the uncertainties of market forces and other factors, which may affect the price of our Shares being traded. You should form your own views on the valuation of our IPO Shares before deciding to invest in our Shares.

4.4 DILUTION

Dilution is the amount by which the IPO Price exceeds our pro forma NA per Share after our IPO. Our NA per Share immediately before adjusting for our IPO was RM0.07, based on our latest audited NA as at 30 June 2022 and the number of Shares outstanding immediately prior to our IPO of 774,308,700 Shares.

Upon issuance of the IPO Shares and after adjusting for effects of the utilisation of gross proceeds raised from our IPO, our pro forma NA per Share as at 30 June 2022 would be approximately RM0.12 per Share based on our Company's enlarged total number of 944,308,700 Shares. This represents an immediate increase in NA per Share of RM0.05 to our existing shareholders and an immediate dilution in NA per Share of RM0.21, representing a 63.64% dilution to our new investors.

The following table illustrates such dilution on a per Share basis:

		RM
IPO Price	**A**	0.33
Pro forma NA per Share as at 30 June 2022 before adjusting for our IPO	**B**	0.07
Pro forma NA per Share as at 30 June 2022, after adjusting for our IPO and utilisation of gross proceeds raised from our IPO	**C**	0.12
Increase in pro forma NA per Share to existing shareholders	**C – B**	0.05
Dilution in pro forma NA per Share to new investors	**A – C**	0.21
Dilution in pro forma NA per Share to new investors as a percentage to the IPO Price	**(A – C) / A**	63.64%

The following table summarises the acquisition of our Shares by our Promoters, Directors, Key Senior Management, Substantial Shareholders and persons connected with them for the past 3 years prior to the date of this Prospectus, the total consideration paid by them and the average effective cash cost per Share to them.

	No. of Shares held / subscribed before our IPO[(1)]	Total consideration (RM)	Effective cash cost per Share (RM)
Promoters, Substantial Shareholders and Directors			
Datuk Liew	658,162,400	39,489,824	0.06
SK Wong	116,146,300	6,968,792	0.06

Note:

(1) Includes 100 Shares issued upon incorporation and 774,308,600 Shares issued pursuant to the Acquisition.

Save as disclosed above and the Pink Form Allocations to our eligible Directors and Key Senior Management, there has been no other equity transaction and/or right to acquire any of our Shares by our Promoters, Directors, Key Senior Management and/or Substantial Shareholders and persons connected with them.

4.5 UTILISATION OF PROCEEDS FROM OUR IPO

The proceeds of RM56.10 million to be raised from the Public Issue is expected to be utilised in the following manner:-

Details of utilisation	Estimated timeframe for utilisation upon our Listing	RM'000	%
Acquisition of new head office / refinancing of borrowings for acquisition of new head office	Within 3 months	7,502	13.37
Performance bonds and/or cash deposits for construction projects	Within 15 months	10,800	19.25
Working capital	Within 12 months	33,498	59.71
Estimated listing expenses	Within 3 months	4,300	7.67
Total		**56,100**	**100.00**

4.5.1 Acquisition of new head office / refinancing of borrowings for acquisition of new head office

As at the LPD, we are currently renting 7 separate office premises from several non-related individuals, all of which are located within Menara Mitraland in Kota Damansara, Petaling Jaya, Selangor as our head office with an aggregate built-up area of approximately 7,834 sq. ft. with tenancies tenure of up to 9 March 2023 ("**Rented Office**"). Our Rented Office also houses our meeting venues with inter-alia, our customers, suppliers and consultants as well as being utilised as storage facilities for our documents. Further details of our Rented Office are set out in Section 6.5.2 of this Prospectus.

The number of employees who are based at our Rented Office has increased from 25 as at 31 December 2019 to 51 as at the LPD, in line with the expansion of our business operations as evident in the growth of our order book as set out in Section 12.7 of this Prospectus. With the on-going growth and development of our business, our Rented Office is no longer able to accommodate our expanded business operations as well as increase in manpower.

In this respect, we had on 23 September 2021 and 19 January 2022 entered into sale and purchase agreements with Sg. Besi Construction Sdn Bhd (being the developer and our customer) to acquire 12 parcels of office suites measuring an aggregate of approximately 10,803 sq. ft. at The Glenz Mixed Commercial Development Project located at No. 6, Jalan Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor, for a total consideration of RM9.38 million ("**Office SPAs**") ("**New Head Office**"). The construction of the New Head Office has been completed in March 2022.

As all the office suites are located on the same floor, we will be able to have more efficient space planning for the New Head Office and it will improve our office working space and functionality as follows:

	Rented Office	**New Head Office**
Built up area	▪ 7 separate individual office premises located across 2 levels ▪ Aggregate size - 7,834 sq. ft.	▪ 12 office suites located in a single floor ▪ Aggregate size - 10,803 sq. ft.
No. of workstations	53 workstations allocated across 7 separate office units	77 workstations allocated in an amalgamated single floor space
Meeting/Training rooms	▪ Largest meeting room (maximum seating capacity of up to 10 people) ▪ Remaining 2 meeting rooms (able to accommodate maximum seating capacity of between 5 to 6 people)	▪ Largest meeting room (maximum seating capacity of up to 35 people) ▪ Remaining 3 meeting rooms (able to accommodate maximum seating capacity of between 5 to 10 people)
Storage/filing room	100 sq. ft.	500 sq. ft.
Pantry space	50 sq. ft.	150 sq. ft.

The larger number of workstations will enable us to accommodate the expansion of our workforce as well as additional meeting rooms to facilitate meetings with external parties and internal discussions.

The CCC for the New Head Office has been obtained in November 2022 and as at the LPD, we have submitted the renovation layout plan to Majlis Bandaraya Shah Alam for approval. The indicative timeline for the relocation to the New Head Office is as follows:-

Timeline	**Details**
December 2022	Receipt of renovation layout plan approval Commencement of renovation and furnishing works
First quarter of 2023	Completion of renovation and furnishing works Commencement of relocation from Rented Office Commencement of operations at New Head Office

In the event we are unable to relocate to the New Head Office before the tenancies for our current Rented Office expires on 9 March 2023, we will extend the tenure of our existing tenancies.

The total consideration for the New Head Office amounts to RM9.38 million, for which we have secured bank borrowings of RM7.50 million from AmBank (M) Berhad on 3 January 2022 (RM6.12 million) and 20 April 2022 (RM1.38 million) respectively, with maturity periods of 20 years and the balance will be financed via our internally generated funds. As at the LPD, the purchase consideration has been fully settled.

We have earmarked RM7.50 million or 13.37% of the total gross proceeds to be raised from the Public Issue for the repayment of the bank borrowings utilised for the acquisition of the New Head Office. The repayment of the aforementioned facilities is expected to have a positive financial impact on our Group with interest savings of approximately RM0.30 million per annum, calculated based on effective interest rate of 3.95% for the term loan secured to finance the acquisition of the New Head Office. However, we are subjected to a one-off prepayment fee of approximately RM0.23 million arising from the early repayment of the said bank borrowings.

If the actual repayment of our borrowings is lower than the earmarked amount, the surplus will be utilised for our working capital. Any excess amount required for the repayment of our borrowings will be funded from internally generated funds.

4.5.2 Performance bonds and/or deposits for construction projects

Some of the construction projects we are involved in require performance bonds in the form of an approved bank guarantee or a cash deposit (in-lieu of a performance bond) to be provided to the awarding party, as security for proper and due performance of works as set out in the construction contracts. In order for a licensed bank to issue a bank guarantee for performance bonds in favour of our customers, we are usually required to maintain a security deposit in the form of fixed deposits pledged with licensed banks.

The quantum of the performance bonds and/or cash deposits may differ between construction contracts and is typically up to 5% of the total contract sum. The validity of a performance bond or cash deposit is generally up to the completion of the said project.

This results in the lock-up of a portion of our working capital and affect our liquidity during the duration of the project as we are unable to utilise this sum for our working capital requirements during the duration of the performance bonds and deposits being retained with our client. Therefore, such allocation of proceeds for performance bonds and/or cash deposits is expected to free up our internally generated funds, which would otherwise be used to meet such contractual obligations. This will improve our Group's liquidity and cash balances thus providing greater flexibility for our Group to pursue more construction contracts that requires performance bonds and/or enable us to secure additional construction projects with the excess cash being made available for working capital.

The amount of performance bonds and/or cash deposits is expected to increase in line with the growth of our construction business and the value of contracts awarded to us. Hence, we have earmarked RM10.80 million or 19.25% of the total gross proceeds to be utilised for the performance bonds and/or cash deposits for our on-going and future construction projects as follows:-

Project	**Amount (RM'000)**	**% to contract value**	**Expected construction commencement date**	**Timing of submission of performance bond / cash deposit**
Raja Uda Project	2,000[(1) (2)]	2.50[(2)]	Fourth quarter of 2022[(2)]	Within 6 months from construction commencement date
KKIP Warehouse Project	2,975[(1)]	5.00	Fourth quarter of 2022	Within 6 months from construction commencement date
Future projects	5,825	-		
Total	**10,800**			

Notes:

(1) These amounts will be paid to the respective customers (i.e. project awarders) in cash (in-lieu of performance bond).

(2) The construction activities of Raja Uda Project have commenced in October 2022 and upon request by the customer, we have partially paid the cash deposit (in-lieu of performance bond) amounting to RM2 million (2.50% of the contract value) to the customer. The remaining amount of the performance bond will be paid within 6 months from the said commencement date.

In the event the actual proceeds utilised for the performance bonds and/or cash deposits for our construction projects is lower than the earmarked amount, the excess will be used for working capital purposes. Any excess amount required for the performance bonds and/or cash deposits for our construction projects will be funded from internally generated funds and/or bank borrowings.

As mentioned above, not all of our Group's construction projects requires the provision of performance bonds or cash deposits, which will have an impact on our working capital requirements. Out of the on-going projects with an aggregate contract value of RM1,225.99 million as at LPD, our Group is only required to provide RM25.77 million cash deposits as performance bonds. As at LPD, our Group had already provided RM20.72 million cash deposits and the balance RM5.05 million is expected to be financed via the proceeds to be raised from the Public Issue (RM4.98 million) and internally generated funds (RM0.07 million) respectively.

Therefore, with the proceeds from the Public Issue earmarked for the payment of performance bonds, we will have sufficient working capital to fulfil our contractual obligations for performance bonds and/or provision of cash deposits.

4.5.3 Working capital

Our Group's working capital requirement is expected to increase in line with the growth in our business operations.

As at the LPD, we have 14 on-going construction projects with a total outstanding order book of RM947.43 million as well as having tendered and/or submitted proposals for various building construction projects. Such tenders, if successful, will further increase our order book and consequently, increase our working capital requirements.

Arising therefrom, we have earmarked RM33.50 million or 59.71% of the total gross proceeds to be raised from the Public Issue to supplement our working capital requirements. The breakdown of the allocation is in the manner set out below:-

Working capital	**RM'000**
Payment for subcontractor services	25,000
Payment to suppliers for purchases of construction materials	8,498
Total	**33,498**

The proceeds are allocated for payment of subcontractor services and purchases of construction materials as these are our largest cost of sales items, contributing approximately 82.49%, 85.35%, 87.42% and 84.43% of our total costs of sales for the past 3 FYEs 2019, 2020, 2021 and for the FPE 2022 respectively. We envisage that such working capital requirements will be mainly utilised for our on-going projects as follows:-

Project name	Beluran Police Camp Project	D'vine Residences Project
Customer	Hawa Teknik Sdn Bhd	Binastra Construction (M) Sdn Bhd
Project description	Design and build of housing complexes, administration buildings and related facilities for General Operation Force (PGA) Malaysia in Beluran, Sabah	Construction of 1 block of 45-storey affordable serviced apartments and related facilities in Mukim of Sungai Buloh, Selangor
Contract value	RM332.82 million	RM216.62 million
Status of project	As at the LPD, the approximate percentage of completion of the Beluran Police Camp Project is 27.50%. The project is expected to be completed by February 2025.	As at the LPD, the approximate percentage of completion of the D'vine Residences Project is 9.47%. The project is expected to be completed by December 2024.

If our Group is unable to utilise the proceeds for any of the above projects which are dependent on the status of the work progress, the proceeds earmarked for this category would be allocated to other on-going and/or future construction projects to be identified by our Group. Any excess amount required for our working capital will be funded from internally generated funds and/or bank borrowings.

The working capital allocation is expected to enhance our Group's liquidity and cashflow position and to reduce our reliance on external financing to support the expected growth in our daily operations.

4.5.4 Estimated listing expenses

Our estimated listing expenses are estimated to be RM4.30 million, details of which are as follows:-

	RM'000
Professional fees[(1)]	2,390
Fees to authorities	85
Underwriting, placement and brokerage fees	1,510
Printing, advertising and other incidental charges relating to our Listing[(2)]	315
Total	**4,300**

Notes:

(1) Includes professional and advisory fees for, among others, Principal Adviser, Solicitors, Reporting Accountants, IMR and other professional advisers.

(2) *Other incidental or related expenses in connection with our IPO, which include translators, media related expenses and IPO event expenses.*

If the actual listing expenses are higher than budgeted, the deficit will be funded by internally generated funds. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for working capital purposes.

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

Our Company will not receive any proceeds from the Offer for Sale. Based on the IPO Price, the gross proceeds from the Offer for Sale of approximately RM23.36 million will accrue entirely to the Offerors. The Offerors shall bear the entire incidental expenses and fees in relation to the Offer for Sale, amounting to approximately RM0.53 million.

4.6 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.6.1 Brokerage fee

We will pay brokerage fee for the 74,961,000 IPO Shares (as set out in Sections 4.2.1(i) and (ii) of this Prospectus) at the rate of 1% of the IPO Price in respect of successful Applications that bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association in Malaysia and/or the Issuing House.

4.6.2 Underwriting commission

Our Underwriter has agreed to underwrite all the 74,961,000 IPO Shares (as set out in Sections 4.2.1(i) and (ii) of this Prospectus). We are obliged to pay our Underwriter an underwriting commission at the rate of 2.25% of the total value of the IPO Shares underwritten at the IPO Price.

4.6.3 Placement fee

Our Placement Agent has agreed to place out 95,039,000 Issue Shares (as set out in Section 4.2.1(iii) of this Prospectus) and 70,800,000 Offer Shares (as set out in Section 4.2.2 of this Prospectus).

We are obliged to pay a placement fee at the rate of 2.25% of the total value of the IPO Shares successfully placed out to investors at the IPO Price.

The Offerors are obliged to pay a placement fee at the rate of 2.25% of the total value of the Offer Shares successfully placed out to the identified investors by our Company at the IPO Price.

4.7 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with AmInvestment Bank to underwrite 74,961,000 IPO Shares, upon the terms and subject to the conditions as set out in the Underwriting Agreement.

The salient terms of the Underwriting Agreement are as follows:

(i) the obligations of the Underwriter under the Underwriting Agreement are conditional upon certain conditions precedent being satisfied or fulfilled;

(ii) notwithstanding anything contained in the Underwriting Agreement, the Underwriter may by notice in writing to our Company given at any time before the date of our Listing, terminate, cancel or withdraw its commitment to underwrite the underwritten IPO Shares if:-

(a) 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 to the satisfaction of the Underwriter within such number of days as stipulated by the Underwriter to our Company in writing or as stipulated in the written notice informing our Company of such breach or by the Closing Date, whichever is earlier; or

(b) there is withholding of information which is required to be disclosed by or to the Underwriter, pursuant to the Underwriting Agreement, and if capable of remedy, is not remedied within such number of days as stipulated by the Underwriter to our Company in writing or as stipulated in the written notice informing our Company of such breach which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of our Listing, or the distribution or sale of the IPO Shares; or

(c) there shall have occurred, happened or come into effect, or which in the opinion of the Underwriter is likely to occur, any material and adverse change to the business or financial condition of our Company or our Group from that set out in this Prospectus which is material in the context of the offering of the IPO Shares and our Listing; or

(d) there shall have occurred, happened or come into effect any of the following circumstances:

(1) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing;

(2) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);

(3) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, national emergency, civil war or commotion, hijacking, terrorism;

(4) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organized armed resistance to the government, insurrection, revolt, military or usurped power;

(5) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, outbreak of disease, epidemics, pandemic, the imposition of lockdowns or similar measures to control the spread of any epidemic which results in the closure of banks or government or regulatory offices or any other authorities which are required for the Underwriter to perform its obligations under the Underwriting Agreement, or other acts of God (For the avoidance of doubt, the foregoing shall exclude any movement control order(s) issued under the Prevention and Control of Infectious Diseases Act 1988 and/or the Police Act 1967 or otherwise by the Government amid the existing COVID-19 pandemic);

(6) any government requisition or other occurrence of any nature whatsoever;

(7) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading for 3 consecutive Market Days or more; and/or

(8) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the ACE Market of Bursa Securities due to exceptional financial circumstances or otherwise,

which, (in the opinion of the Underwriter), would have or can reasonably be expected to have, a material adverse effect on the business or the operations of our Group, the success of our Listing and/or our IPO, or the distribution or sale of the IPO Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or

(e) there is failure on the part of our Company to perform any of its obligations contained in the Underwriting Agreement which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Underwriter within such number of days as stipulated by the Underwriter to our Company in writing or as stipulated in the written notice informing our Company of such breach or by the Closing Date, whichever is earlier; or

(f) any approvals for our Listing are revoked, or withdrawn, or subject to the conditions not acceptable to the Underwriter; or

(g) the Closing Date is not the day and time adopted in this Prospectus or such other extended date as may be agreed in writing by the Underwriter; or

(h) our IPO or our Listing is stopped or delayed by our Company for any reason whatsoever (unless such delay arises due to action or non-action of the regulatory authorities or has been approved by the Underwriter); or

(i) any commencement of legal proceedings or action against any member of our Group or any of their directors (excluding the independent non-executive directors of our Company) which would have or is likely to have a material adverse effect or make it impracticable to enforce contracts to allot and/or transfer the IPO Shares; or

(j) any of the resolutions or approvals referred to in the Underwriting Agreement is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms that would have a material adverse effect; or

(k) any material statements contained in this Prospectus has become or been discovered to be untrue, inaccurate or misleading in any respect, or matters have arisen or have been discovered which would, if any of this Prospectus were to be issued at that time, constitute a material omission therefrom as of the LPD;

(iii) in the event of termination pursuant to paragraph (ii) above, our Company and the Underwriter shall, save and except for any antecedent breach, be released and discharged from our obligations under the Underwriting Agreement without prejudice to our rights under the Underwriting Agreement whereupon the Underwriting Agreement shall be of no further force or effect save for the following, amongst others:

(1) the liability of our Company for the payment of costs and expenses as provided in the Underwriting Agreement incurred prior to or in connection with such termination shall remain;

(2) the liability of our Company for the payment of the underwriting commission as provided in the Underwriting Agreement shall remain; and

(3) our Company shall return the subscription moneys paid for the subscription of the underwritten IPO Shares pursuant to the Underwriting Agreement (if such subscription moneys have been paid by the Underwriter under the Underwriting Agreement) without interest thereon to the Underwriter within 3 Market Days of the receipt of such written notice of termination from the Underwriter;

(iv) notwithstanding anything contained in the Underwriting Agreement, it will be an event of force majeure if the Underwriter is unable to perform its obligations stipulated under the Underwriting Agreement resulting from any event or series of events beyond the reasonable control of the Underwriter, including without limitation where any one of the following occurs:

(a) any new law, regulation, directive, policy or ruling or any material change in any law, regulation, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority which would prohibit or impede the obligations of the Underwriter or any event or series of events beyond the reasonable control of the Underwriter which will have a material adverse effect (but for the avoidance of doubt, excluding any economic change in circumstances);

(b) any act or acts of God, national disorder, armed conflict or serious threat of the same, hostilities, embargo, detention, revolution, riot, looting or other labour disputes, natural catastrophe, earthquake, typhoon, acts of warfare, sabotages, outbreak of war, outbreak of disease, epidemics, pandemic, the imposition of lockdowns or similar measures to control the spread of any epidemic which results in the closure of banks or government or regulatory offices or any other authorities which are required for the Underwriter to perform its obligations under the Underwriting Agreement, acts of terrorism or the declaration of a state of national emergency but for the avoidance of doubt, excluding any movement control order(s) issued under the Prevention and Control of Infectious Diseases Act 1988 and/or the Police Act 1967 or otherwise by the Government amid the existing COVID-19 pandemic;

(c) any material adverse change or development involving a prospective change in national or international monetary, financial, political or economic conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia or overseas) or currency exchange rates or the occurrence of any combination of any of the foregoing which adversely affects or could have been reasonably expected to affect:

(1) the business of our Company and/or our Group; or

(2) the success of our Listing and our IPO;

(d) the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("**KLCI**") is, at the close of normal trading on Bursa Securities, on any Market Day:

(1) on or after the date of the Underwriting Agreement; and

(2) prior to the Closing Date,

lower than 85% of the level of the KLCI at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for 3 consecutive Market Days; and/or

(e) the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities for 3 consecutive Market Days,

which would have or can reasonably be expected to have, a material adverse effect on the business or the operations of our Group, the success of our Listing and/or our IPO, or the distribution or sale of our IPO Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; and

(v) in the event of a force majeure pursuant to paragraph (iv) above, the Underwriter may, at any time prior to or on the date of our Listing, terminate the Underwriting Agreement by giving notice in writing to our Company in the manner prescribed under the Underwriting Agreement or subject to prior consultation with our Company, request for the Closing Date to be extended to such reasonable date as the Underwriter may decide.

4.8 TRADING AND SETTLEMENT IN SECONDARY MARKET

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through CDS (which is operated by Bursa Depository). This will be effected in accordance with the provisions of the SICDA and the Rules of Bursa Depository. Accordingly, our Company will not deliver share certificates to the subscribers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain the Shares in CDS Accounts, either directly in their name or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as the shareholders of our Company in respect of the number of Shares credited to their respective CDS Accounts.

4. DETAILS OF OUR IPO *(cont'd)*

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. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

Trading for 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 shall trade under the odd lot market. Settlement and payment of trades done on a "ready" basis on Bursa Securities generally takes place on the third 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 Particulars and shareholdings

The details of our Promoters and Substantial Shareholders and their respective shareholdings in our Company before and after our IPO (assuming all 240,800,000 IPO Shares are fully subscribed for) are as follows:

		Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
Name	Nationality	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(2)	No. of Shares	%(2)
Datuk Liew	Malaysian	658,162,400	85.00	-	-	597,982,400(3)	63.33	-	-
SK Wong	Malaysian	116,146,300	15.00	-	-	105,526,300(3)	11.17	-	-

Notes:

(1) Based on the total number of 774,308,700 Shares as at the date of this Prospectus but prior to our IPO.

(2) Based on the enlarged total number of 944,308,700 Shares after our IPO.

(3) After Offer for Sale.

Our Promoters and Substantial Shareholders have the same voting rights with the other shareholders of our Group as all our Shares before and after our IPO are of the same class.

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5.1.2 Profiles of our Promoters and Substantial Shareholders

The profiles of our Promoters and Substantial Shareholders are as follows:

(i) Datuk Liew

Datuk Liew Foo Heen, a Malaysian male aged 44, is our Group Managing Director. He was appointed as a Director of our Company since its incorporation on 10 November 2021 and is responsible for the overall guidance of our Group's business direction and manages the strategic development of our Group. He graduated with a Diploma in Technology (Building) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University College) in May 2000. He has approximately 20 years of experience in construction industry. He has been a director of The Bountiful Eye Foundation, a non-profit organisation that focuses on supporting the underprivileged families in Malaysia since March 2022.

He began his career with PG Engineering Sdn. Bhd., as a Quantity Surveyor in June 2000, where he was involved in the administration of construction contracts, management of project budgets, preparation of bills of quantity and performing measurements of plans. He subsequently left and joined Mitrajaya Holdings Berhad, a company providing construction services as a Quantity Surveyor in April 2002 where he was involved in the administration of construction contracts which include managing project budgets and schedules for construction of shop-offices. In April 2003, he joined Lim Hoo Seng Construction Sdn. Bhd. as a Quantity Surveyor where he assumed similar roles and responsibilities as those performed by him while he was with Mitrajaya Holdings Berhad. During his time with Lim Hoo Seng Construction Sdn. Bhd., he was involved in the construction of residential development.

In September 2006, he left and joined Maxis Mobile Sdn. Bhd. as a Senior Executive of the Procurement Department, where he was responsible for conducting procurement activities from identifying potential vendors, commercial evaluation, tenders and award of contracts. He was subsequently promoted to the position of Assistant Specialist of the Procurement Department in November 2008, where he was involved in the administration of contracts. He left the company in May 2009.

Thereafter, he co-founded Visibina Sdn. Bhd. with a third party, namely, Ng Phooi Yoong, in 2009 where he held a 51% equity interest and was appointed as a Director. During Datuk Liew's tenure in Visibina Sdn. Bhd., the company was principally a general contractor and was involved in governmental infrastructure construction projects which included, amongst others, the construction of flood mitigation ponds in Malacca. From 2009 to 2015, he was responsible for overseeing the business operation, strategic planning and business development of the company. He subsequently disposed his shares in Visibina Sdn. Bhd. to a third party, namely Faraliza Binti Mahmud, in April 2018 and resigned as a Director of the company in April 2019 to focus on his business in Vestland Resources.

In 2011, Datuk Liew co-founded Vestland Resources with third parties, namely Ng Phooi Yoong and Chong Kok Loong, to venture into the provision of building construction services. He was appointed as a Director and initially held a 25% equity interest in Vestland Resources. Datuk Liew acquired the remaining 75% equity interest from the third parties between 2012 to 2016, which he subsequently sold 15% of his equity interest to SK Wong and 2% to his spouse, Datin Fong Chooi Har. On 4 January 2022, Datin Fong Chooi Har disposed her 2% equity interest in Vestland Resources to Datuk Liew which leads to his shareholding of 85% equity interest in Vestland Resources prior to the Acquisition.

Datuk Liew was appointed as the Managing Director of Vestland Resources since 16 June 2016 and he was responsible from the outset for managing the business development and strategies of Vestland Resources while overseeing its daily operations. Since then, he has spearheaded our Group to complete a number of civil engineering and building construction projects.

Datuk Liew continues to be responsible for setting our Group's overall development which includes setting our Group's direction, formulating corporate development plan and driving our business growth. He is also responsible for overseeing the overall management and operations of our Group.

He is also a director of various private limited companies in Malaysia, details of which are set out in Section 5.2.3 of this Prospectus.

(ii) SK Wong

Wong Sai Kit, a Malaysian male aged 43, is our Group's Executive Director. He was appointed as a Director of our Company since its incorporation on 10 November 2021 and is responsible for assisting our Group Managing Director in the overall management and operation of our Group as well as overseeing the overall operations of our construction projects. He graduated with a Diploma in Technology (Building) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University College) in May 2000. He has approximately 22 years of experience in construction industry.

He began his career in Bina Mahasil Sdn. Bhd. as a Site Supervisor in May 2000, where he was responsible for the management of site materials, supervising construction workers and monitoring the progress of construction projects in respect of high-rise development. He subsequently joined Panflex Sdn. Bhd., as a Contract Executive from July 2001 to November 2002 where he was involved in the implementation of construction contracts, including liaising with subcontractors and suppliers for quotations, preparing analysis and negotiation of contract pricing as well as estimation and sourcing of materials for architectural and structural work.

He joined Loh & Loh Construction Sdn. Bhd. as a Contract Executive from December 2002 to April 2004, where he assumed similar roles and responsibilities as those performed by him while he was with Panflex Sdn. Bhd. He then joined Cross Brick Construction Sdn. Bhd., as a Contract Executive from May 2004 to January 2005 where he continued to take charge of the implementation of construction contracts in various stages, including the preparation of progress reports and overseeing material handling for construction activities.

In February 2005, he left and joined Awangsa Bina Sdn. Bhd. as a Contract Executive. He was promoted to the position of Site Agent in May 2008 where he was responsible for supervising construction site activities, monitoring work progresses and overseeing the material handling and arrangement for construction activities. He was subsequently promoted to the position of Construction Manager in June 2009 where he was involved in managing construction sites and overall planning, coordination as well as establishing cost control procedures including project cashflow and preparation of the final project account. During his tenure in Awangsa Bina Sdn. Bhd., he was involved in the construction of high-rise development. He left the company in March 2011.

In April 2011, SK Wong joined Vestland Resources as Project Director where he was responsible to oversee the management and implementation of our Group's construction projects. He was appointed as an Executive Director of Vestland Resources in 2015 and he subsequently acquired 15% equity interest in Vestland Resources in 2016 from Datuk Liew.

As an Executive Director of our Group, he is responsible for the overall implementation of our Group's construction projects. With the assistance of our Heads of Contract, Project and Purchasing Departments, Lim Tow Uen, he oversees our various departments to monitor the progress and quality as well as site safety and budgeting of our construction projects. Since then, he has successfully navigated our Group to complete a number of civil engineering and building construction projects. He will continue to oversee the Group's construction activities and key projects after our Listing.

He is also a director of various private limited companies in Malaysia, details of which are set out in Section 5.2.3 of this Prospectus.

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5.1.3 Changes in our Promoters' and Substantial Shareholders' shareholdings in our Company

The table below sets out the changes in our Promoters' and Substantial Shareholders' shareholdings in our Company from the date of incorporation of our Company up to the date of this Prospectus:

	As at 10 November 2021[1]				As at the date of this Prospectus			
	Direct		Indirect		Direct		Indirect	
Name	**No. of Shares**	**%[2]**	**No. of Shares**	**%[2]**	**No. of Shares**	**%[3]**	**No. of Shares**	**%[3]**
Promoter, Substantial Shareholder and Director								
Datuk Liew	85	85.00	-	-	658,162,400	85.00	-	-
SK Wong	15	15.00	-	-	116,146,300	15.00	-	-

Notes:

(1) Being the date of incorporation of our Company.

(2) Based on the total number of 100 Shares as at the date of incorporation of our Company.

(3) Based on the total number of 774,308,700 Shares as at the date of this Prospectus.

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5.1.4 Persons exercising control over the corporation

Save as disclosed in Section 5.1.1 of this Prospectus, there is no other person who is able to, directly or indirectly, jointly or severally exercise control over our Company. As at the date of this Prospectus, there is no future arrangement which may result in a change in control of our Company.

5.1.5 Amounts and/or benefits paid or intended to be paid or given

Save for the Promoters' and Substantial Shareholders' remuneration and material benefits-in-kind as disclosed in Section 5.2.4 of this Prospectus respectively, there is no amount and benefit that has been or is intended to be paid or given to our Promoters and Substantial Shareholders within the two years preceding the date of this Prospectus.

For information purposes, our Group has not declared nor paid any dividend to any of the Promoters and Substantial Shareholders within the period of two years preceding the date of this Prospectus. Our Group does not intend to declare any dividend prior to our Listing. Further details on our Group's dividend policy are set out in Section 12.8 of this Prospectus.

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5.2 BOARD OF DIRECTORS

5.2.1 Particulars and shareholdings

The details of our Directors and their respective shareholdings in our Company before and after our IPO (assuming all 240,800,000 IPO Shares are fully subscribed for and each of our Independent Non-Executive Directors subscribe in full for their respective entitlements under the Pink Form Allocations) are as follows:

		As at the date of this Prospectus / Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
Directors	**Designation/ Nationality**	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**	**No. of Shares**	**%(2)**	**No. of Shares**	**%(2)**
Dato' Mathialakan A/L Chelliah	Independent Non-Executive Chairman/ Malaysian	-	-	-	-	300,000	0.03	-	-
Datuk Liew	Group Managing Director/ Malaysian	658,162,400	85.00	-	-	597,982,400	63.33	-	-
SK Wong	Executive Director/ Malaysian	116,146,300	15.00	-	-	105,526,300	11.17	-	-
Ong Wei Liam @ Jeremy Ong	Independent Non-Executive Director/ Malaysian	-	-	-	-	300,000	0.03	-	-
Dato' Yong Lei Choo	Independent Non-Executive Director/ Malaysian	-	-	-	-	300,000	0.03	-	-
Wee Chuen Lii	Independent Non-Executive Director/ Malaysian	-	-	-	-	300,000	0.03	-	-

Notes:

(1) Based on the total number of 774,308,700 Shares as at the date of this Prospectus.

(2) Based on the enlarged total number of 944,308,700 Shares after our IPO.

None of our Directors are representatives of any corporate shareholder.

5.2.2 Profiles of our Directors

Save for the profiles of Datuk Liew and SK Wong as set out in Section 5.1.2 of this Prospectus, the profiles of our other Directors are as set out below:

(i) Dato' Mathialakan A/L Chelliah

Dato' Mathialakan A/L Chelliah, a Malaysian aged 68, is our Independent Non-Executive Chairman. He was appointed to our Board on 21 April 2022. He obtained a Bachelor of Economics degree from the University of Malaya in 1980.

Dato' Mathialakan A/L Chelliah began his career with the Malaysian Investment Development Authority ("**MIDA**") under MITI, as an Economist in January 1981. He served in various divisions of MIDA to facilitate the development of the manufacturing industry and related services sectors in Malaysia as well as to promote foreign direct investment into Malaysia. As a member of the special task force of MIDA, he was responsible for tailoring incentive packages and negotiating with potential investors to attract and facilitate foreign investments into the country. He headed MIDA's overseas offices in Zurich, Berne, Milan, and London to promote Malaysia as a potential investment location for European companies. He was also responsible for assisting local companies in their investment decisions. He retired in July 2014 as an Executive Director after 33 years of service at MIDA.

In January 2015, he was appointed as an Independent Non-Executive Director of Malaysia Digital Economy Corporation ("**MDEC**"), which is the lead agency in driving and developing the digital economy in Malaysia under the Ministry of Communications and Multimedia Malaysia. He was also appointed as a member of the audit committee and a member of the remuneration and nomination committee of MDEC from January 2015 to October 2018. He was subsequently appointed as the Acting Non-Executive Chairman of the Board of Directors of MDEC and chairman of the remuneration and nomination committee of MDEC from October 2018 to July 2020, where he was involved in overseeing board practices as well as supervising corporate governance and compliance matters of MDEC. He completed his tenure as an Independent Non-Executive Director of MDEC in July 2020.

Dato' Mathialakan A/L Chelliah founded ACM Advisory Sdn. Bhd., a company involved in the business of providing consultancy and advisory services to businesses and commercial activities in March 2015. As a director of the company, he is responsible for leading the company in providing business consultancy and advisory services to business organisations in various industries.

He was appointed as an advisor of Ernst & Young Malaysia in October 2018, where he continues till today to be responsible for providing insights and advice on governmental policies and liaising with government authorities and regulators. He also continues to provide advice in relation to tax engagements with clients.

With Dato' Mathialakan A/L Chelliah's vast experience during his time attached to governmental investment and development authorities as well as his business consultancy expertise, it is envisaged that he will be able to contribute to the Group by imparting his views and guidance on regulatory compliance matters as well as in business process management to improve the efficiency of our Group's construction business activities.

(ii) Ong Wei Liam @ Jeremy Ong

Jeremy Ong, a Malaysian aged 44, is our Independent Non-Executive Director. He was appointed to our Board on 21 April 2022. He obtained a Bachelor of Commerce from the University of Queensland, Australia in 2002.

He began his career by participating in the Financial Management Programme ("**FMP**") of General Electric International, Inc. ("**GE**") in August 2002. Under the FMP, he was exposed to various aspects of financial training, including amongst others, financial planning, accounting, operations analysis, auditing, forecasting and treasury management with the associated companies of GE involved in various business or corporate segments in Malaysia, the USA and China.

In October 2004, he joined GE (China) Co. Ltd., which is an associated company of GE in Shanghai, China as a Manager of Finance Analysis and Planning/Risk under the GE Transportation-Aircrafts Engines business segment, where he was responsible for leading the team tasked with compliance, financial planning risk and cash management.

In May 2006, he joined GE's Corporate Finance, Malaysia as a corporate audit staff where he was responsible for performing governance and corporate audit duties for GE in multiple countries and industries in locations such as the USA, Canada, China, Hungary, France, India, Japan and South East Asia.

Since June 2008, he has led finance teams in GE Oil & Gas, Singapore as a Supply Chain Finance Manager for the Asia Pacific region, where he led the finance functions of manufacturing sites in Singapore, China and Indonesia. He then joined GE Global Business Services Asia Pacific, Singapore as a Finance Manager in August 2010, where he was responsible for leading the overall Asia Pacific finance team in 13 countries in the Asia Pacific.

He left GE Global Business Services Asia Pacific and joined CCI Asia Pacific Pte. Ltd. based in Singapore, a company involved in the provision of design, manufacturing and servicing services for control and isolation valves, as Asia Chief Financial Officer in September 2012, where he led the overall financial and governance function for the financial matters of the company with manufacturing sites located in India, Japan and Korea.

In October 2014, he returned to Malaysia and joined the Hextar Group of companies involved in specialty chemicals, fertilizers, energy solutions and consumer products, as its Group Chief Operating Officer, where he was responsible for the planning and implementation of business operations, establishing policies and overseeing operations of the company. He led the restructuring of shared service support for the company as well as the investment management and business development and diversification initiatives of the company. He left the Hextar Group in March 2016.

In May 2015, he was appointed as an Independent Non-Executive Director of ATA IMS Berhad (a company listed on the Main Market of Bursa Securities), which was then involved in the business of plastic injection moulding. He was also appointed as a member of the nominating committee of ATA IMS Berhad in July 2015 and a member of both the remuneration committee and audit committee in August 2015, where he was involved in overseeing board practices as well as corporate governance and compliance of the company. He subsequently resigned as an Independent Non-Executive Director of the company in March 2017.

He founded Trunnion Bridge Sdn. Bhd. and Treo Capital Sdn. Bhd. in December 2016 and January 2018 respectively to venture into the business of providing advisory and consultancy services as Chief Executive Officer where he leads the company in providing management and strategic advisory services to clients in various respects.

Going forward, Jeremy Ong will play a role in providing advice and guidance on finance, risk management, corporate planning and compliance as well as corporate governance. With his experience in the areas of financial and business advisory, it is also envisaged that he would add value in improving corporate credibility and governance standards of our Group.

He is also a director of several private limited companies in Malaysia, details of which are set out in Section 5.2.3 of this Prospectus.

(iii) Dato' Yong Lei Choo

Dato' Yong Lei Choo, a Malaysian aged 61, is our Independent Non-Executive Director. She was appointed to our Board on 21 April 2022. She graduated from University of Malaya with a Bachelor of Arts (Honours) in Population Studies, in 1985. Subsequently, she obtained a Master of Science in Human Resources Development from Western Carolina University, United States, in 1997.

After completing her undergraduate degree, Dato' Yong Lei Choo joined the Royal Malaysia Police ("**RMP**") as a cadet Assistant Superintendent of Police ("**ASP**") in February 1986. Upon completion of her training, she was posted to Taiping, Perak, where she was responsible for investigations, prosecutions and administrative works. Subsequently, she was posted as an ASP in the Research and Analysis unit of the Special Branch of the headquarters of RMP in 1987 and thereafter as a Deputy Superintendent of Police in the External Intelligence Division in 1994.

From 1995 to 1997, Dato' Yong Lei Choo pursued postgraduate studies at Western Carolina University in the United States. Upon completion of her studies, she returned to RMP as an Administrative Management Officer of the Special Branch of the headquarters of RMP.

Throughout her 35 years of service with the RMP, she served in various capacities with a focus in Special Branch activities, including Head of Special Branch in the Petaling Jaya District Police, Deputy Head of Special Branch (Operation) in the Selangor Police Contingent, Head of Special Branch in the Penang Police Contingent, Principal Assistant Director (Personnel Records) in the Management Department of the headquarters of RMP and Commandant of the Royal Malaysian Police College Kuala Lumpur (a RMP educational institution located in Kuala Lumpur responsible for training senior officers in the RMP). She retired in October 2021 as the Deputy Chief Police Officer of Kuala Lumpur, with the rank of Deputy Commissioner of Police where she was involved in managing and overseeing the activities of all departments of the Kuala Lumpur Police Contingent.

On 14 January 2022, Dato' Yong Lei Choo has been appointed as an Independent Non-Executive Director of LBS Bina Group Berhad (a company listed on the Main Market of Bursa Securities). She has also been appointed as a member of the risk committee and a member of the nomination and remuneration committee of LBS Bina Group Berhad on even date where she will be overseeing board practices as well as corporate governance of the company.

On 17 January 2022, Dato' Yong Lei Choo has been appointed as an Independent Non-Executive Director of Red Ideas Holdings Berhad (a company listed on the LEAP Market of Bursa Securities). Subsequently on 19 September 2022, she was redesignated as the Independent Non-Executive Chairman of Red Ideas Holdings Berhad where she is responsible in overseeing board practices as well as supervising corporate governance and compliance matters of the company.

On 26 September 2022, Dato' Yong Lei Choo has been appointed as an Independent Non-Executive Director of Fiamma Holdings Berhad (a company listed on the Main Market of Bursa Securities). She has also been appointed as the chairman of the nomination committee and a member of the audit committee and remuneration committee of Fiamma Holdings Berhad on even date where she will be overseeing board practices as well as corporate governance of the company.

Going forward, it is anticipated that with her extensive experience in policing, administration of safety and security and human resources development, Dato' Yong Lei Choo will play a role in providing advice and guidance on our Group's regulatory compliance matters and help enhance the safety and security of our Group's construction activities as well as our human resources development and management.

(iv) Wee Chuen Lii

Wee Chuen Lii, a Malaysian aged 50, is our Independent Non-Executive Director. He was appointed to our Board on 21 April 2022. He holds a Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University College), which he obtained in July 1996. He obtained the professional qualification of the Association of Chartered Certified Accountants (ACCA) in August 1997. He has been registered as a fellow member of the ACCA since September 2005 and a member of the Malaysian Institute of Accountants (MIA) since October 2004.

After completing his undergraduate degree, Wee Chuen Lii began his career with Pembinaan Tasja Sdn. Bhd. in July 1997 as an Accounts Officer, where he was responsible for preparing profit forecasts and budgeting, cash flow statements and management reports. He was also responsible for handling the full set of accounts of the company. He left the company in July 2000 as an Assistant Accountant. He then joined EA Consulting (M) Sdn. Bhd. in August 2000 as an Accountant, where his role involved managing the accounting, finance and taxation functions of the company. He left the company in July 2006.

In August 2006, Wee Chuen Lii joined Axon Solutions Sdn. Bhd. as an Accountant, where he was required to manage and supervise the day-to-day operations of the accounting department. Subsequently, he joined DGB Asia Berhad (a company listed on the ACE Market of Bursa Securities), as a Group Finance Manager from June 2009 to May 2012. During such period, he was responsible for overall financial and management reporting of DGB group of companies and leading the group's financial risk management, including enhancing internal controls and implementation and enforcement of financial policies and procedures.

He subsequently joined Huawei Technologies (M) Sdn. Bhd. as a Business Finance Manager in June 2012. In this role, he was responsible for, among others, overseeing the overall financial performance of the business group, preparing project estimations for tender decision making and advising the business group on risks associated in the business projects undertaken by the business group in Malaysia. He left the company in January 2015.

In February 2015, he joined LKL Advance Metaltech Sdn. Bhd., a wholly-owned subsidiary of LKL International Berhad (a company listed on the ACE Market of Bursa Securities), as a Chief Financial Officer. As the Chief Financial Officer, he was responsible for managing and overseeing the accounting functions, tax planning as well as the overall financial performance of the LKL International Berhad group of companies. He was also involved in monitoring compliance with the Listing Requirements by the group of companies and overseeing the preparation of announcements to be made by the company on Bursa Securities and annual reports of the company. In addition, he was in charge of planning and monitoring internal audits on the group of companies together with group's internal auditors.

He left the company in July 2021 and joined Eatcosys Sdn. Bhd. in July 2021 as a Chief Financial Officer, where he was involved in managing and overseeing the financial and taxation matters of the company. He left the company in December 2021 and is currently a freelance financial consultant who provides advisory services on accounting, finance and corporate related matters to companies in various industries.

In view of his vast experience in accounting, finance and risk management and his past experience as a Chief Financial Officer in a public listed company, it is envisaged that Wee Chuen Lii will contribute in imparting his views and guidance to our Group in relation to accounting, finance and risk management matters.

He is also a director of a private limited company in Malaysia, details of which are set out in Section 5.2.3 of this Prospectus.

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5.2.3 Principal directorship and principal business activities of our Directors outside our Group

The following table sets out the principal directorships and shareholdings of our Directors outside our Group as at the LPD ("**Present Directorships/Shareholdings**") and those which were held within the past 5 years up to the LPD ("**Previous Directorships/Shareholdings**"):

(i) Datuk Liew

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct	Indirect
					(%)	(%)
Present Directorships/Shareholdings						
• V Realty	Activities of holding companies and real estate activities with owned or leased property[1]	Director and shareholder	22.07.2020	-	80.00	-
• V Group Land	Activities of holding companies[2], management of real estate on a fee or contract basis and property investment	Director and shareholder	03.05.2018	-	83.00	-
• The Bountiful Eye Foundation	To support and assist underprivileged families in Malaysia, in the areas of children's education, food aids and healthcare	Director	30.03.2022	-	-	-
• Farmer Feast Sdn. Bhd.	Operating a Japanese restaurant	Shareholder	-	-	20.00	-
• 3M Bintang Sdn. Bhd.	Hotel operation	Shareholder	-	-	21.75	-
• Enya Mareine Wedding Gallery (M) Sdn. Bhd.	Wedding planners and photographers	Shareholder	-	-	25.00	-

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

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct (%)	Indirect (%)
Previous Directorships/Shareholdings						
• Pujaan Harmoni Sdn. Bhd.	Acts as real property and housing developers	Director and shareholder	01.06.2017	29.10.2021	-	50.00[3]
• Le Garden Development Sdn. Bhd.	Investment holding[4], project management and planning consultancy services	Director and shareholder	30.12.2015	29.10.2021	-	50.00[5]
• VA Majestic Sdn. Bhd.	Restaurants, hotels and resort hotels[6]	Director and shareholder	22.11.2018	24.08.2021	-	100.00[7]
• Mission Wealth Management Sdn. Bhd.	Other management consultancy activities	Director and shareholder	01.04.2015	01.09.2021	21.75[8]	-
• Skypark Machineries Sdn. Bhd.	Letting of mobile crane and sales hardware	Director and shareholder	18.03.2013	01.09.2021	37.00[9]	-
• Swas Metropolitan Sdn. Bhd.	Reclamation works	Director and shareholder	28.06.2016	31.01.2018	30.00[10]	-
• Vector Estate Sdn. Bhd.	Struck off on 16 March 2021	Director and shareholder	02.09.2013	-	25.00	-
• Top Stream Realty Sdn. Bhd.	Struck off on 23 October 2020	Director and shareholder	10.01.2019	-	100.00	
• Crave Alive Sdn. Bhd.	Struck off on 12 August 2021	Director and shareholder	18.02.2019	-	41.65	-

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

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct	Indirect
					(%)	(%)
• The Glenz Hotel Sdn. Bhd.	Restaurants, hotels and resort hotels[11]	Director and shareholder	18.03.2019	08.03.2022	85.00[12]	-
• Grand Golden Development Sdn. Bhd.	Real property and housing developer	Director	27.01.2017	05.06.2020	-	-
• Hikmat Awangku Sdn. Bhd.	Property developer and contractors, hardware trading and supply and mining	Director	02.10.2017	10.08.2021	-	-
• Swas Marine Sdn. Bhd.	General merchant, dealer, commission agent and exporter of marine, general trading and provide consultancy services	Director	21.10.2016	31.01.2018	-	-
• Canaan Development Sdn. Bhd.	Investment holding[13]	Director	31.12.2013	03.06.2019	-	-
• Armani Energy Sdn. Bhd.	Operation of generation facilities that produce electric energy and installation of non-electric solar energy collectors	Director	03.03.2020	22.06.2020	-	-
• Farmer Feast Sdn. Bhd.	Operating a Japanese restaurant	Director	02.04.2013	28.12.2020	-	-
• Visibina Sdn. Bhd.	General trading, building cleaning and laundry services and general contractor	Director	09.07.2009	05.04.2019	-	-
• 3M Bintang Sdn. Bhd.	Hotel operation	Director	12.11.2012	28.12.2020	-	-

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

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct	Indirect
					(%)	(%)
• Jesselton Training Center Sdn. Bhd.	Other specialized construction activities, other architectural and engineering activities and related technical consultancy and construction of other engineering projects	Director	15.11.2018	25.02.2019	-	-
• The Tents Sdn. Bhd.	Other construction installation and construction of buildings	Director	01.08.2019	27.09.2021	-	-
• VLR Power Sdn. Bhd.	Business of electrical engineering works	Shareholder	-	-	74.00(14)	-
• Sg. Besi Construction Sdn. Bhd.	Building construction and property developer	Shareholder	-	-	20.40(15)	-

Notes:

(1) As at the LPD, V Realty is not holding shares in any company and is not holding any real property. For information purposes, V Realty was incorporated for purposes of buying and selling of real properties and it has not commenced its business since the date of incorporation.

(2) As at the LPD, V Group Land is not holding shares in any company.

(3) Deemed interest by virtue of his indirect interest in Le Garden Development Sdn. Bhd (which in turn held 100% equity interest in Pujaan Harmoni Sdn Bhd) through Vestland Resources pursuant to Section 8 of the CA 2016. On 29 October 2021, Vestland Resources has disposed of all its shares in Le Garden Development Sdn. Bhd. to a third party who is not related to any of our Directors, Substantial Shareholders or Key Senior Management.

(4) Le Garden Development Sdn. Bhd had previously held 100% equity interest in Pujaan Harmoni Sdn Bhd.

(5) Deemed interest by virtue of his interest in Vestland Resources pursuant to Section 8 of the CA 2016. On 29 October 2021, Vestland Resources has disposed of all its shares in Le Garden Development Sdn. Bhd. to a third party who is not related to any of our Directors, Substantial Shareholders or Key Senior Management.

(6) VA Majestic Sdn. Bhd. is currently operating a hotel located in Putrajaya.

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

(7) Deemed interest by virtue of his interest in V Group Land pursuant to Section 8 of the CA 2016. On 11 October 2021, V Group Land has disposed of all its shares in VA Majestic Sdn. Bhd. to a third party who is not related to any of our Directors, Substantial Shareholders or Key Senior Management.

(8) On 1 November 2021, Datuk Liew has disposed of all his shares in Mission Wealth Management Sdn. Bhd. to a third party who is not related to any of our Directors, Substantial Shareholders or Key Senior Management.

(9) On 1 September 2021, Datuk Liew has disposed of all his shares in Skypark Machineries Sdn. Bhd. to his brother, Liew Chun Heen.

(10) On 1 October 2021, Datuk Liew has disposed of all his shares in Swas Metropolitan Sdn. Bhd. to a third party who is not related to any of our Directors, Substantial Shareholders or Key Senior Management.

(11) The Glenz Hotel Sdn. Bhd. has been dormant since its incorporation. The company was initially incorporated with the intention to venture into hotel business.

(12) On 8 March 2022, Datuk Liew had disposed of all his shares in The Glenz Hotel Sdn. Bhd. to a third party who is not related to any of our Directors, Substantial Shareholders or Key Senior Management.

(13) As at the LPD, Canaan Development Sdn. Bhd. is not holding shares in any company.

(14) On 1 November 2021, Datuk Liew has disposed of all his shares in VLR Power Sdn. Bhd. to a third party who is not related to any of our Directors, Substantial Shareholders or Key Senior Management.

(15) Datuk Liew was a shareholder in Sg. Besi Construction Sdn. Bhd. on 30 October 2020 when he acquired a stake from Fong Sui Leong (the then shareholder of Sg. Besi Construction Sdn. Bhd.). Datuk Liew subsequently disposed of all his shares in Sg. Besi Construction Sdn. Bhd. on 2 November 2020 to third parties who are not related to any of our Directors, Substantial Shareholders or Key Senior Management as he wishes to focus on our Group's construction business.

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

(ii) SK Wong

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct	Indirect
					(%)	(%)
Present Directorships/Shareholdings						
• V Realty	Activities of holding companies and real estate activities with owned or leased property[1]	Director and shareholder	22.07.2020	-	20.00	-
• V Group Land	Activities of holding companies[2], management of real estate on a fee or contract basis and property investment	Director and shareholder	03.05.2018	-	15.00	-
• Cherane Lalie Sdn. Bhd.	Housing developers, building contractors and transportation	Director	13.05.2019	-	-	-

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct	Indirect
					(%)	(%)
Previous Directorships/Shareholdings						
• VLR Power Sdn. Bhd.	Business of electrical engineering works	Director and shareholder	12.06.2018	01.11.2021	6.00[4]	-
• Hikmat Awangku Sdn. Bhd.	Property developer and contractors, hardware trading and supply, mining	Director and shareholder	02.10.2017	10.08.2021	1.00[5]	-
• Skypark Machineries Sdn. Bhd.	Letting of mobile crane and sales hardware	Director and shareholder	18.03.2013	01.09.2021	23.00[6]	-
• Visibina Sdn. Bhd.	General trading, building cleaning and laundry services and general contractor	Director and shareholder	12.03.2013	05.04.2019	15.00[7]	-

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

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct (%)	Indirect (%)
Previous Directorships/Shareholdings						
• Crave Alive Sdn. Bhd.	Struck off on 12 August 2021	Director and shareholder	18.02.2019	-	7.35	-
• The Glenz Hotel Sdn. Bhd.	Restaurants; hotels and resort hotels[8]	Director and shareholder	18.03.2019	08.03.2022	15.00[9]	-
• New Power Sky Sdn. Bhd.	Provision of car window tinting and trading in timber, investment company[3] and property investment	Director and shareholder	27.06.2016	09.01.2020	42.50[10]	-
• Vic-Aire Holiday Sdn. Bhd.	Providing inbound and outbound travel services and tours, coach hire and other related services	Director	08.06.2018	06.09.2021	-	-

Notes:

(1) As at the LPD, V Realty is not holding shares in any company and is not holding any real property. For information purposes, V Realty was incorporated for purposes of buying and selling of real properties and it has not commenced its business since the date of incorporation.

(2) As at the LPD, V Group Land is not holding shares in any company.

(3) As at the LPD, New Power Sky Sdn. Bhd. does not hold any investment.

(4) On 1 November 2021, SK Wong has disposed of all his shares in VLR Power Sdn. Bhd. to a third party who is not related to any of our Directors, Substantial Shareholders or Key Senior Management.

(5) On 28 September 2021, SK Wong has disposed of all his shares in Hikmat Awangku Sdn. Bhd. to a third party who is not related to any of our Directors, Substantial Shareholders or Key Senior Management.

(6) On 1 September 2021, SK Wong has disposed of all his shares in Skypark Machineries Sdn. Bhd. to Datuk Liew's brother, Liew Chun Heen.

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

(7) On 26 April 2018, SK Wong has disposed of all his shares in Visibina Sdn. Bhd. to a third party who is not related to any of our Directors, Substantial Shareholders or Key Senior Management.

(8) The Glenz Hotel Sdn. Bhd. has been dormant since its incorporation. The company was initially incorporated with the intention to venture into hotel business.

(9) On 8 March 2022, SK Wong had disposed of all his shares in The Glenz Hotel Sdn. Bhd. to a third party who is not related to any of our Directors, Substantial Shareholders or Key Senior Management.

(10) On 15 February 2021, SK Wong had disposed all his shares in New Power Sky Sdn. Bhd. to a third party who is not related to any of our Directors, Substantial Shareholders or Key Senior Management.

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

(iii) Dato' Mathialakan A/L Chelliah

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct (%)	Indirect (%)
Present Directorships/Shareholdings						
• ACM Advisory Sdn. Bhd.	Providing consultancy and advisory services to business and commercial activities	Director and shareholder	04.03.2015	-	50.00	-

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct (%)	Indirect (%)
Previous Directorships/Shareholdings						
• Malaysia Digital Economy Corporation Sdn. Bhd.	Engaged in developing, coordinating and promoting Malaysia's digital economy information and communications technology (ICT) industry and the extensive use of ICT in Malaysia	Director	19.01.2015	15.07.2020	-	-
• Angstrohm Technologies Sdn. Bhd.	Business in information technology systems and general trading	Shareholder	-	-	1.13[(1)]	-

Note:

(1) On 26 January 2022, he has disposed of all his shares in Angstrohm Technologies Sdn. Bhd. to a third party who is not related to any of our Directors, Substantial Shareholders or Key Senior Management.

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

(iv) Ong Wei Liam @ Jeremy Ong

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct (%)	Indirect (%)
Present Directorships/Shareholdings						
• Treo Capital Sdn. Bhd.	Provision of advisory and consultancy services in business management system	Director and shareholder	18.12.2018	-	100.00	-
• Missterio Marketing Sdn. Bhd.	Act as exporters, importers, manufactures, investors, merchants, franchisers, traders and distributors in all kinds of cosmetics, health products and pharmaceutical of every description; provide transportation services; and carry business of travel agency activities	Director and shareholder	05.04.2019	-	50.00	-
• Studio Twenty Pte. Ltd. *(formerly known as Trunnion Bridge Pte. Ltd.)*	Management consultancy services, development of software and applications (except games and cybersecurity)	Director and shareholder	09.12.2017	-	50.00	-
• Treo Ventures Sdn. Bhd.	Activities of holding companies[(1)]	Director	30.08.2021	-	-	-
• Trunnion Bridge Sdn. Bhd.	Business management consultancy services; other information technology service activities not elsewhere classified; wholesale of variety of goods without any particular specialization not elsewhere classified	Director	18.12.2018	-	-	-

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

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct (%)	Indirect (%)
• Dbundlejungle Sdn. Bhd.	Provide manicure and pedicure services, health-care treatment, wellness and beauty concepts, distribution of skin and beauty products; agent to trade all kind of products through internet transactions; and to provide other related information technology services	Director	10.10.2019	-	-	-
• Innotreo Sdn. Bhd.	To manufacture and deal in premix mortar, concretes, glazer tiles or tiles of all descriptions	Shareholder	-	-	-	10.00[(2)]
• Siestaz Sdn. Bhd.	General trading and provision of information technology	Shareholder	-	-	8.29	-
• Civil Tech Resources Sdn. Bhd. *(in the process of winding up)*	Civil engineering; and ground engineering[(3)]	Shareholder	-	-	8.00	-
• InnoCSR Co. Ltd.	Manufacturing, wholesale, retail trade and consulting[(4)]	Shareholder	-	-	1.86	-
• MJ Cap Sdn. Bhd.	Business management consultancy services and activities of holding companies[(5)]	Shareholder	-	-	-	50.00[(6)]
• MJ Corporate Services Sdn. Bhd.	Business management consultancy services	Shareholder	-	-	-	90.00[(7)]
• Ativo Venture Sdn. Bhd.	Hairdressing and other beauty treatment	Shareholder	-	-	-	30.00[(7)]

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

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct (%)	Indirect (%)
Previous Directorships/Shareholdings						
• FRJ Sdn. Bhd.	Struck off on 14 February 2018	Director and shareholder	13.09.2011	-	50.00	-
• Damas Construction Sdn. Bhd. *(formerly known as Smarso Technology Sdn. Bhd.)*	To transact business of civil, mechanical and electrical engineers and engineering works; general trading; and to organize and manage events and exhibitions	Director	14.04.2016	13.06.2018	-	-
• Genovation Bullion Sdn. Bhd. *(formerly known as Beacon Power Sdn. Bhd.)*	Investment holding; property investment; education and training[8]	Director	08.04.2016	19.06.2018	-	-
• Gosnek Sdn. Bhd.	Relaxation centre, spa and sales of beauty products, selling of snacks and beverages in vending machine and advertisement	Director	13.12.2016	13.06.2018	-	-
• Civil Tech Resources Sdn. Bhd. *(in the process of winding up)*	Civil engineering and ground engineering[3]	Director	23.04.2018	18.08.2018	-	-
• Innotreo Sdn. Bhd.	To manufacture and deal in premix mortar, concretes, glazer tiles or tiles of all descriptions	Director	17.09.2021	11.01.2022	-	-
• JMJ Capital Sdn. Bhd.	Activities of holding companies[9]	Director	19.03.2021	21.03.2022	33.01[10]	-

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

Notes:

(1) As at the LPD, Treo Ventures Sdn. Bhd. is not holding shares in any company.

(2) Deemed interest by virtue of his interest in Treo Capital Sdn. Bhd. pursuant to Section 8 of the CA 2016.

(3) Civil Tech Resources Sdn. Bhd. was previously involved in piling works for construction projects. It has been dormant since the year 2018.

(4) InnoCSR Co. Ltd. provides consultation on the implementation of eco-friendly technology for brick production.

(5) Being a holding company, MJ Cap Sdn. Bhd., through its subsidiaries, MJ Corporate Services Sdn. Bhd. and Ativo Venture Sdn. Bhd. is involved in the provision of business management consultancy services and the provision of hair and beauty treatment respectively.

(6) Deemed interest by virtue of his interest in Treo Capital Sdn. Bhd. pursuant to Section 8 of the CA 2016.

(7) Deemed interest by virtue of his indirect interest in MJ Cap Sdn. Bhd. through Treo Capital Sdn. Bhd. pursuant to Section 8 of the CA 2016.

(8) As Ong Wei Liam @ Jeremy Ong has resigned as director of Genovation Bullion Sdn. Bhd. on 19 June 2018, we do not have information on the investments that are currently being held by the company as at the LPD.

(9) As Ong Wei Liam @ Jeremy Ong has resigned as director of JMJ Capital Sdn. Bhd. on 21 March 2022 and disposed of his shares in the company on 14 April 2022, we do not have information on the investments that are currently being held by the company as at the LPD.

(10) On 14 April 2022, he has disposed of all his shares in JMJ Capital Sdn. Bhd. to a third party who is not related to any of our Directors, Substantial Shareholders or Key Senior Management.

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

(v) Dato' Yong Lei Choo

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct	Indirect
					(%)	(%)
Present Directorships/Shareholdings						
• LBS Bina Group Berhad (Listed on the Main Market of Bursa Securities)	Investment holding company engaged in property development, construction and trading, motor racing circuit and management, investment and others	Independent Non-Executive Director	14.01.2022	-	-	-
• Red Ideas Holdings Berhad (Listed on the LEAP Market of Bursa Securities)	Investment holding company engaged in the provision of community security services, community mobile management services and advertising through mobile and web applications	Independent Non-Executive Chairman	17.01.2022	-	-	-
• Fiamma Holdings Berhad (Listed on the Main Market of Bursa Securities)	Investment holding company engaged in distribution of consumer products such as electrical home appliances, medical devices, health care products and other household products as well as property development and property investment	Independent Non-Executive Director	26.09.2022	-	-	-

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct	Indirect
					(%)	(%)
Previous Directorships/Shareholdings						
Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

(vi) Wee Chuen Lii

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct	Indirect
					(%)	(%)
Present Directorships/Shareholdings						
• MJ Corporate Services Sdn. Bhd.	Business management consultancy services	Director	14.02.2022	-	-	-

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct	Indirect
					(%)	(%)
Previous Directorships/Shareholdings						
Nil	Nil	Nil	Nil	Nil	Nil	Nil

Save as disclosed in Section 11 of this Prospectus, the involvement of our Directors in the above business activities outside our Group does not give rise to any conflict of interest situation with our business and the involvement of our Directors in the above business activities outside our Group does not affect their ability to perform their roles and responsibilities to our Group.

The involvement of our Independent Non-Executive Directors in other businesses or corporations outside our Group is not expected to affect their ability to perform their roles and responsibilities to our Group as they do not act in any executive capacity and are not involved in the day to day operations of our Group. Further, the involvement of our Group Managing Director and the Executive Director in business activities outside our Group does not preclude them from allocating or committing their time and effort to our Group as they are not involved in the management and day-to-day operations of these businesses, other than attending meetings of the board of directors on which they serve. Such businesses do not require their involvement on a daily basis as these businesses are managed by their respective management.

Our Group Managing Director and Executive Director are of the view that although they are involved in other businesses as set out above, they are able to devote sufficient time and attention to the affairs of our Group to carry out their respective duties.

5.2.4 Directors' remuneration and material benefits-in-kind

The aggregate remuneration and material benefits-in-kind *(including any contingent or deferred remuneration)* paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2021 and FYE 2022 are as follows:

Paid for FYE 2021	Director's fees	Salaries	Bonuses	EPF and SOCSO	Allowances	Benefits-in-kind	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Datuk Liew	-	315	100	79	15	17	526[3]
SK Wong	-	385	100	93	75	-	653[3]
Datin Fong Chooi Har	-	70	-	14	-	-	84[3]

Proposed for FYE 2022	Director's fees[1]	Salaries	Bonuses	EPF and SOCSO	Allowances	Benefits-in-kind	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Non-Executive Directors							
Dato' Mathialakan A/L Chelliah	37	-	-	-	4	-	41
Ong Wei Liam @ Jeremy Ong	33	-	-	-	4	-	37
Dato' Yong Lei Choo	33	-	-	-	4	-	37
Wee Chuen Lii	33	-	-	-	4	-	37
Executive Directors							
Datuk Liew	-	540	-[2]	75	36	17	668
SK Wong	-	500	-[2]	71	36	17	624

Notes:

(1) The Directors' fees are pro-rated after taking into consideration the date of appointment of the Directors to our Board.

(2) Bonuses are not included. Such bonuses, if any, will be determined at a later date based on individual directors and Group performance, and will be subject to the recommendation of our Remuneration Committee and approval by our Board.

(3) The lower remuneration of Datuk Liew as compared to SK Wong during FYE 2021 was agreed between them, after taking into consideration Datin Fong Chooi Har, being the spouse of Datuk Liew and a Director in Vestland Resources during the said FYE 2021, was also being paid salaries and Director's fees by Vestland Resources. Subsequent to Datin Fong Chooi Har's resignation as a Director of Vestland Resources on 4 February 2021, Datuk Liew's remuneration had since been adjusted in FYE 2022.

The remuneration of our Directors which includes salaries, bonuses, fees and allowances as well as other benefits must be considered and recommended by the Remuneration Committee which will subsequently be approved by our Board. Our Directors' fee must then be further approved by our shareholders at a general meeting. As set out in our Constitution, any change in our Directors' fees must be approved by our shareholders pursuant to a resolution passed at a general meeting where notice of any proposed increase shall be given in the notice convening the meeting, of which further details are set out in Section 15.1.1 of this Prospectus. The remuneration for each of our Directors is subject to annual review by our Remuneration Committee.

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5.3 BOARD PRACTICES

5.3.1 Directorships

In accordance with our Constitution, an election of Directors shall take place each year at the Annual General Meeting ("**AGM**") 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 at the conclusion of the AGM in every year 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 the Director retires.

The date of expiration of the current term of office for each of our Directors and the period for which each of them has served in that office is as follows:

Name	Designation	Date of appointment	Length of service in our Group up to the date of this Prospectus	Length of service as Director of our Company up to the date of this Prospectus	Date of expiration of the current term of office
Dato' Mathialakan A/L Chelliah	Independent Non-Executive Chairman	21 April 2022	-	Less than 1 year	Subject to retirement at the AGM in 2023
Datuk Liew	Group Managing Director	10 November 2021	11 years	1 year	Subject to retirement at the AGM in 2023
SK Wong	Executive Director	10 November 2021	11 years	1 year	Subject to retirement at the AGM in 2023
Dato' Yong Lei Choo	Independent Non-Executive Director	21 April 2022	-	Less than 1 year	Subject to retirement at the AGM in 2023
Ong Wei Liam @ Jeremy Ong	Independent Non-Executive Director	21 April 2022	-	Less than 1 year	Subject to retirement at the AGM in 2023
Wee Chuen Lii	Independent Non-Executive Director	21 April 2022	-	Less than 1 year	Subject to retirement at the AGM in 2023

Our Board acknowledges and takes cognisance of the recommendations under the MCCG released in April 2021 and intends to have our Group adhere to its recommendations.

As at the LPD, our Company have yet to adopt the recommendation under the MCCG to have a Board comprising at least 30% women directors. In this regard, our Company endeavors to comply with the recommendation within 24 months from the completion of our Listing.

Save for the above, the composition of our Board presently adheres to the other recommendations of the MCCG.

5.3.2 Audit and Risk Management Committee

The main functions of the Audit and Risk Management Committee of our Company fall within the ambit of the Listing Requirements, which include:

(1) reviewing the following and reporting the same to our Board:

- audit plan with our external auditors;
- evaluation of our system of internal controls and accounting policies with our external auditors;
- audit report with our external auditors; and
- assistance given by our employees to the external auditors on disputes with management encountered during the audit;

(2) conducting the following and reporting the same to our Board, in relation to internal audit function:

- reviewing the adequacy of the internal audit plan, scope, functions, competency and resources of the internal audit functions and whether it has the necessary authority to carry out its work independently and objectively;
- reviewing the internal audit programme, processes and results of the internal audit programme, the effectiveness of the internal audit function, processes or investigation undertaken and, where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function; and
- reviewing the performance appraisal/assessment of the internal auditors;

(3) reviewing the quarterly results and annual financial statements before the approval of our Board focusing particularly on:

- any changes in or implementation of major accounting policies;
- significant adjustment arising from the audit;
- any significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions and how these matters are addressed;
- the going concern assumption and major judgement areas; and
- compliance with accounting standards and other legal requirements;

(4) reviewing any related party transactions and potential conflict of interest situations that may arise within our Company or our Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(5) conducting the following and reporting the same to our Board, in relation to external audit function:

- the appointment, nomination, resignation and dismissal of external auditors and their respective audit fees;
- reviewing and reporting to our Board on the policies and procedures for assessment of suitability and independence of external auditors and the policies and procedures governing the provision of non-audit services by external auditors;
- whether there is reason (supported by grounds) to believe that our Company's external auditor is not suitable for re-appointment; and

- discussing with the external auditor before audit commences, the nature and scope of the audit, competency and resources of the external audit and ensure co-ordination where more than one audit firm is involved;

(6) reviewing all areas of significant risk and the arrangements in place to contain those risks to acceptance levels;

(7) overseeing on the establishment and implementation of a risk management framework to ensure the adequacy of risk management policy and infrastructure;

(8) reviewing the risk profile of our Company, including all subsidiaries and to evaluate the measures taken to mitigate its business risks;

(9) reviewing the Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report, and recommend for approval by the Board;

(10) review of the adequacy of resources for managing the risk management framework;

(11) reporting to the Board with recommendations as the Committee deems appropriate; and

(12) monitoring and ensuring that proper processes and procedures are in place to comply with all laws, regulations and rules (including relevant tax laws, regulations and rules established by all relevant regulatory bodies).

Our Audit and Risk Management Committee comprises the following members:

Name	Designation	Directorship
Wee Chuen Lii	Chairman	Independent Non-Executive Director
Ong Wei Liam @ Jeremy Ong	Member	Independent Non-Executive Director
Dato' Yong Lei Choo	Member	Independent Non-Executive Director

5.3.3 Remuneration Committee

The Remuneration Committee of our Company is principally responsible for the following:

(1) support our Board in overseeing the design and operation of our Group's remuneration system to ensure corporate accountability and governance;

(2) review and recommend to our Board on the remuneration of Non-Executive Directors on whether the remuneration remains appropriate to each Directors' contribution, by taking into account, among others, the level of expertise, commitment and responsibilities undertaken;

(3) review and recommend to our Board the total individual remuneration package for our Group Managing Director, Executive Directors and senior management personnel including, where appropriate, salaries, bonuses, directors' fee, allowances, incentive payments, options or benefit-in-kinds within the terms of agreed remuneration policy based on individual contributions to our Group's overall performance and value instead of depending on short term performance to avoid any incentives for excessive risk-taking;

(4) ensure that the remuneration package should be structured such that it is competitive and balance which should be sufficient to attract and retain Executive Directors and senior management of caliber and yet not excessive;

(5) ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of our Group Managing Director, Executive Directors and senior management;

(6) review our Group's policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors and senior management and recommend to the Board for approval;

(7) review compensation policy of Directors and senior management and ensure the compensations offered are in line with market practice (if any); and

(8) ensuring fees and benefits payable to Directors, and any compensation for loss of employment of Executive Directors are approved by shareholders at General Meetings.

Our Remuneration Committee comprises the following members:

Name	Designation	Directorship
Ong Wei Liam @ Jeremy Ong	Chairman	Independent Non-Executive Director
Dato' Yong Lei Choo	Member	Independent Non-Executive Director
Wee Chuen Lii	Member	Independent Non-Executive Director

5.3.4 Nomination Committee

The key duties and responsibilities of our Nomination Committee of our Company include:

(1) to establish an appropriate selection criteria and processes, recruitment process and to recommend to our Board, candidates of all directorships and members of the relevant Board committees;

(2) to establish the mechanisms for the formal assessment on the effectiveness of our Board as a whole, each of the Directors, the effectiveness of our Board committees and the performance of our Group Managing Director. The annual assessment to be conducted would be based on objective performance criteria as approved by the Board. All assessment and evaluation carried out by the committee in the discharge of its duties shall be disclosed in the Annual Report;

(3) to establish the minimum requirements or criteria to be used in the following:

- annual assessment of our Directors, our Group Managing Director and senior management in ensuring our Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties; and
- annual review of the required mix of skills and experience and other qualities, including core competencies which our Non-Executive Directors and senior management should have;

(4) to establish a policy formalising its approach to boardroom diversity, including gender diversity;

(5) to recommend to our Board the removal of a Director or our Group Managing Director or senior management if he/she is ineffective, errant or negligent in discharging his/her responsibilities;

(6) to undertake an annual review of the training programmes attended by the Directors for each financial year as well as the training programmes required to aid the Directors in the discharge of their duties as Directors and to keep abreast with industry developments and trends;

(7) conduct fit and proper assessment prior to the appointment of any candidate as a Director of the Group and making recommendation for the re-election of an existing Director at the AGM of the Company; and

(8) establishing an appropriate succession planning framework for the Board, including the Group Managing Director, Executive Directors and senior management.

Our Nomination Committee comprises the following members:

Name	Designation	Directorship
Dato' Yong Lei Choo	Chairman	Independent Non-Executive Director
Ong Wei Liam @ Jeremy Ong	Member	Independent Non-Executive Director
Wee Chuen Lii	Member	Independent Non-Executive Director

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5.4 Key Senior Management

5.4.1 Particulars and shareholdings

The following table sets forth the direct and indirect shareholdings of each of our Key Senior Management before and after our IPO (assuming all 240,800,000 IPO Shares are fully subscribed for and each of our Key Senior Management subscribe in full for their respective Pink Form Allocations):

			Before our IPO / As at the date of this Prospectus				After our IPO			
			Direct		Indirect		Direct		Indirect	
Name	**Designation**	**Nationality**	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**	**No. of Shares**	**%(2)**	**No. of Shares**	**%(2)**
Low Choon Wei	Chief Financial Officer	Malaysian	-	-	-	-	400,000	0.04	-	-
Lim Tow Uen	Head of Contracts, Projects and Purchasing Departments	Malaysian	-	-	-	-	600,000	0.06	-	-
Sr Ooi Yiqing	Contracts Manager	Malaysian	-	-	-	-	450,000	0.05	-	-
Soh Chee Wah	Senior Project Manager	Malaysian	-	-	-	-	500,000	0.05	-	-
Chan Chooi Mee	Purchasing Manager	Malaysian	-	-	-	-	500,000	0.05	-	-
Christina Nair A/P Narayanan	Human Resource Manager	Malaysian	-	-	-	-	100,000	0.01	-	-

Notes:

(1) Based on the total number of 774,308,700 Shares as at the date of this Prospectus but prior to our IPO.

(2) Based on the enlarged total number of 944,308,700 Shares after our IPO.

None of our Key Senior Management are representatives of any corporate shareholder.

5.4.2 Profiles of our Key Senior Management

The profiles of our other Key Senior Management are as set out below:

(i) Low Choon Wei

Low Choon Wei, a Malaysian male aged 34, is our Chief Financial Officer. He obtained a Bachelor of Accounting with Honours from University of Malaya in 2012. He was admitted as a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants since 2016. He has approximately 10 years of experience in finance and accounting.

He began his career in PricewaterhouseCoopers Malaysia as an Associate in September 2012, where he was involved in conducting statutory audits for public listed companies as well as multinational companies. He was subsequently promoted to the positions of Senior Associate in July 2014 and Assistant Manager in July 2016 respectively, in which he was responsible for leading and supervising audit teams of the firm.

He left and joined the Malaysian Institute of Accountants as a Manager of Professional Practices and Technical division in February 2017, where he provided technical support in relation to ethics standards and integrated reporting framework, both internally and externally to the technical committees of the Institute as well as answering queries from members of the Institute and various stakeholders. He then left the Institute in May 2017.

He joined Vestland Resources in July 2017 as a Manager, Accounts and Finance where he was responsible for managing and handling Vestland Resources' accounts and liaising with banks or financiers to facilitate the financing requirement of Vestland Resources. He was also responsible for liaising with our Project Department and Contract Department to manage the budgeting and costing of our construction projects.

He left Vestland Resources and joined PRG Holdings Berhad, a company which is principally involved in the business of investment holding and the provision of management services listed on the Main Market of Bursa Securities, as a Manager, Accounts and Finance in November 2019. He was responsible for preparation of consolidation accounts on a group level as well as quarterly announcements to be made by the company on Bursa Securities. In addition, he was also involved in managing and overseeing the accounts of the company and its subsidiaries. He was later promoted to the position of Senior Manager, Accounts and Finance in January 2021 where he had an added responsibility of managing the cash flow and financial planning of the company at group level. He then left the company and joined our Group in September 2021 at his current position.

As our Chief Financial Officer, he is responsible for overseeing and managing our Group's finance functions, including financial planning, review and reporting. He leads our Finance Department and provides strategic recommendations to our Board in relation to our financial performance, treasury management and financial management. He also liaises with our Project Department and Contract Department to oversee the budgeting and costing of our construction projects. In addition, he oversees the functions and management of our Human Resource Department to ensure our human resource processes are effective and carried out in accordance to our Group's policies.

(ii) Lim Tow Uen

Lim Tow Uen, a Malaysian male aged 47, is our Head of Contracts, Projects and Purchasing Departments. He graduated with a Bachelor of Science (Honours) in Quantity Surveying from the University of Greenwich, United Kingdom in 1998. He has approximately 23 years of experience in contracts and project management.

He began his career in M-Factor Industries Sdn. Bhd., as a Contract Executive in September 1998, where he was involved in the preparation of bills of quantities, claims and awarding of sub-contracts. He was subsequently promoted to the position of Assistant Contracts Manager in 2000 in which he was responsible for assisting to oversee the operations of the contract department, handling tenders and subcontractor awards and resolving contractual matters of projects. In 2003, he was further promoted to the position of Project Manager, in which he was responsible for site planning and management to ensure the implementation of site activities are in accordance with the company's policies.

He then joined Transkon Engineering Sdn. Bhd. as a Project Manager in October 2005, where he was managing and planning the implementation of formwork at construction sites. He was subsequently seconded by the company to Transkon (Thai) Co. Ltd in Thailand from January 2007 to October 2007 as a Contract Manager, where he was responsible for managing various functions of the contract department, including bidding, claims and sourcing for subcontractors.

Subsequently, he joined One Up Co. Ltd in Thailand as an Assistant Vice President of Cost and Contract Department from November 2007 to October 2009, where he was involved in, among others, strategic planning for budget and cost control and planning, organising and managing costs and managing the contracts team.

He then joined Shimizu Corporation as a Contract Manager in January 2010, where he was responsible for a full range of quantity surveying and tendering matters of the company. He left the company in October 2010 and joined Huawei Technologies (M) Sdn. Bhd. as a Contract Manager in December 2010, where he was responsible for overseeing contract management and compliance, billing matters and providing advice on contractual matters in commercial deals involving the company.

He then left the company in July 2014 and joined Alpine Return Sdn. Bhd. as a Senior Contract Manager in July 2014, where he was involved in planning and managing commercial and contractual matters in relation to construction projects undertaken by the company. He was also responsible for liaising with external consultants and contractors for the implementation of contracts. He left and joined our Group in December 2016 in his current position.

Lim Tow Uen is primarily responsible for leading and managing our Contracts Department, Projects Department and Purchasing Department, where he oversees our building construction projects, including tendering, procurement, sub-contracting, claims, finalisation of final accounts and management of construction activities at project sites. He is also responsible for planning and strategies on the implementation of contracts to ensure our construction projects are carried out in accordance with our Group's policies and procedures.

He is also a shareholder of a private limited company in Malaysia, details of which are set out in Section 5.4.3 of this Prospectus.

(iii) Sr Ooi Yiqing

Sr Ooi Yiqing, a Malaysian female aged 37, is our Contracts Manager. She graduated with a Bachelor of Science (Honours) in Quantity Surveying from Universiti Tunku Abdul Rahman in 2009. She has been a member of the Quantity Surveying Division of Royal Institution of Surveyors Malaysia since July 2015. She has approximately 14 years of experience in construction projects.

She began her career in a quantity surveying firm, namely YMF Consultants Sdn. Bhd., in October 2008, as a Project Executive, where she was involved in taking measurements, preparing cost plans and performing site valuations. She was also involved in the tendering process in different stages, including preparing tender documents, performing tender calls, preparing tender reports and recommendation for awards.

She left the firm in September 2012 and joined RL Bersepadu Sdn. Bhd. in October 2012 as a Quantity Surveyor, where she assumed similar roles and responsibilities as those performed by her while she was with YMF Consultants Sdn. Bhd. In addition, she was also responsible for monitoring and managing the quantity surveyor team of the company and preparation of cost plans for construction projects.

She left and joined our Group in July 2017 as an Assistant Contract Manager and was subsequently promoted to her current position as Contracts Manager in October 2017. In her position with our Group as Contracts Manager, she is primarily responsible for overseeing the tendering and implementation of contracts at different stages, including cost estimation, budgeting and forecasting, variation order claims, progress payments and finalisation of final accounts. She is also involved in monitoring, supervising and developing our quantity surveyor team.

(iv) Soh Chee Wah

Soh Chee Wah, a Malaysian male aged 47, is our Senior Project Manager. He graduated with a Certificate in Technology (Building) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University College) in July 1996. He has approximately 26 years of experience in construction projects.

He began his career in May 1996 with Nam Fatt Corporation Berhad as a Site Supervisor, where he was involved in supervising the company's construction site activities which include the supervision of construction workers at sites.

He left and joined SNC GTMI J.V. in February 1997 as a Site Supervisor, where he was responsible for monitoring the progress of the construction of an identified Light Rail Transit (LRT) undertaken by the company and ensuring compliance with applicable construction safety regulations. He left the company in March 1999 and subsequently joined Free Land Construction Sdn. Bhd. in October 1999, where he assumed similar roles and responsibilities as a Site Supervisor in relation to the construction of infrastructural works.

He left Free Land Construction Sdn. Bhd. in March 2002 and joined Cheng Weng Construction Sdn. Bhd. in April 2002 as a Site Supervisor, where he was involved in the management and supervision of the progress of construction projects related to renovation of schools and sewerage and drainage works and the health and safety of construction sites. He was later promoted to a Construction Manager in 2005 and was in charge of construction site activities as well as coordinating site progress work between various parties such as main contractors and customers.

He left the company in March 2012 and joined our Group in June 2012 as a Project Manager. He was later promoted to his current position in 2017. In his position with our Group as Senior Project Manager, Soh Chee Wah is primarily responsible for the planning, coordinating and management of onsite work at our construction sites.

(v) Chan Chooi Mee

Chan Chooi Mee, a Malaysian female aged 40, is our Purchasing Manager. She obtained a Diploma in Computer Science from the Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University College) in 2004.

She began her career with Success Resources Sdn. Bhd. as a Database Executive in October 2004, where she was involved in the maintenance of the database and computers of the company. She left the company in June 2006 and was unemployed until April 2008.

She joined Scope International (M) Sdn. Bhd. in April 2008 as a Human Resource Administrator, in which role she was involved in the recruitment, termination and promotion of the information technology (IT) team of the company as well as managing employee relations.

She took a break from work during the period between May 2009 to December 2010. She then joined Celmonze Aesthetic Academy, a beauty-wellness business school, as a Business Development Executive in January 2011, where she was responsible for a full range of business functions of the company, including marketing and purchasing duties.

She left the company and joined our Group in November 2013 as an Assistant Purchasing Officer and was subsequently promoted to her current position as Purchasing Manager in October 2020. In her position with our Group as Purchasing Manager, Chan Chooi Mee is primarily responsible for leading and overseeing our Purchasing Department, including the development and implementation of our purchasing strategies and managing daily purchasing activities to ensure that our purchasing processes are carried out in accordance with the timeline and budget of our construction projects.

(vi) Christina Nair A/P Narayanan

Christina Nair A/P Narayanan, a Malaysian female aged 37, is our Human Resource Manager. She obtained an Executive Diploma in Human Resource Management from University of Malaya in 2013.

Her first employment role was with JG Direct (M) Sdn. Bhd in January 2005 as an Administrative Clerk reporting to the Human Resource Executive after completing her Sijil Tinggi Persekolahan Malaysia. She was responsible for administering employees' leave as well as document controlling and filing. Subsequently, she was promoted to the position of Senior Human Resource and Administrative Executive in 2007, where she was involved in fulfilling a broad range of human resource functions, including the recruitment and training of employees, administering employees' benefits, overseeing disciplinary action taken against employees, managing human resource records and administration of payroll.

She left the company and joined Om Technologies Sdn. Bhd. in October 2014 as a Human Resource cum Account Manager, where she was responsible for managing leave-of-absence programs, personnel records, payroll, benefits enrollment and programs, training and development programs and handling of general human resource issues at the workplace.

She left the company in March 2016 and joined our Group in June 2016 in her current position. In her role with our Group, Christina Nair A/P Narayanan is primarily responsible for recruiting, interviewing and hiring of new staff for our Group, administering payroll, overseeing employee benefits and the leave entitlements of our employees as well as enforcing our human resource policies and practices.

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5.4.3 Involvement of our Key Senior Management in principal business activities outside our Group

Saved as disclosed below, none of our Key Senior Management has any principal directorships and shareholdings outside our Group as at the LPD (**Present Directorships/Shareholdings**) and/or those which were held within the past 5 years up to the LPD (**Previous Directorships/Shareholdings**):

(i) Lim Tow Uen

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct	Indirect
					(%)	(%)
Present Directorships/Shareholdings						
• M-Factor Construction Sdn. Bhd. (*in the process of winding up*[(1)])	Building and civil engineering contractor and selling of properties	Shareholder	-	-	0.10	-

Company	Principal business activities	Position held	Date appointed	Date resigned	Equity interest held	
					Direct	Indirect
					(%)	(%)
Previous Directorships/Shareholdings						
Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

(1) On 5 June 2013, the High Court of Malaya in Kuala Lumpur granted a winding up order in respect of M-Factor Construction Sdn. Bhd. under Section 218(1)(e) of the Companies Act 1965 (the equivalent section under Section 465(1)(e) of the CA 2016). The expected completion date of the winding up of the company is unable to be determined at this juncture as the winding up is currently pending finalisation of the due process by the appointed liquidator. Upon completion of the winding up process, the company will be dissolved.

The involvement of Lim Tow Uen in the abovesaid company will not affect his contribution to our Group and would not be expected to affect his executive roles and responsibilities to our Group as he is not a director of the abovesaid company and does not participate in the day-to-day operations and business directions of the company. Further, the abovesaid company is in the process of winding up. He has and will continue to ensure that he would be able to fulfil and discharge his duties and responsibilities in our Group effectively.

5.4.4 Key Senior Management's remuneration and material benefits-in-kind

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration and bonuses) paid and proposed to be paid to our Key Senior Management for services rendered in all capacities to our Group for FYE 2021 and estimated for FYE 2022 are as follows:

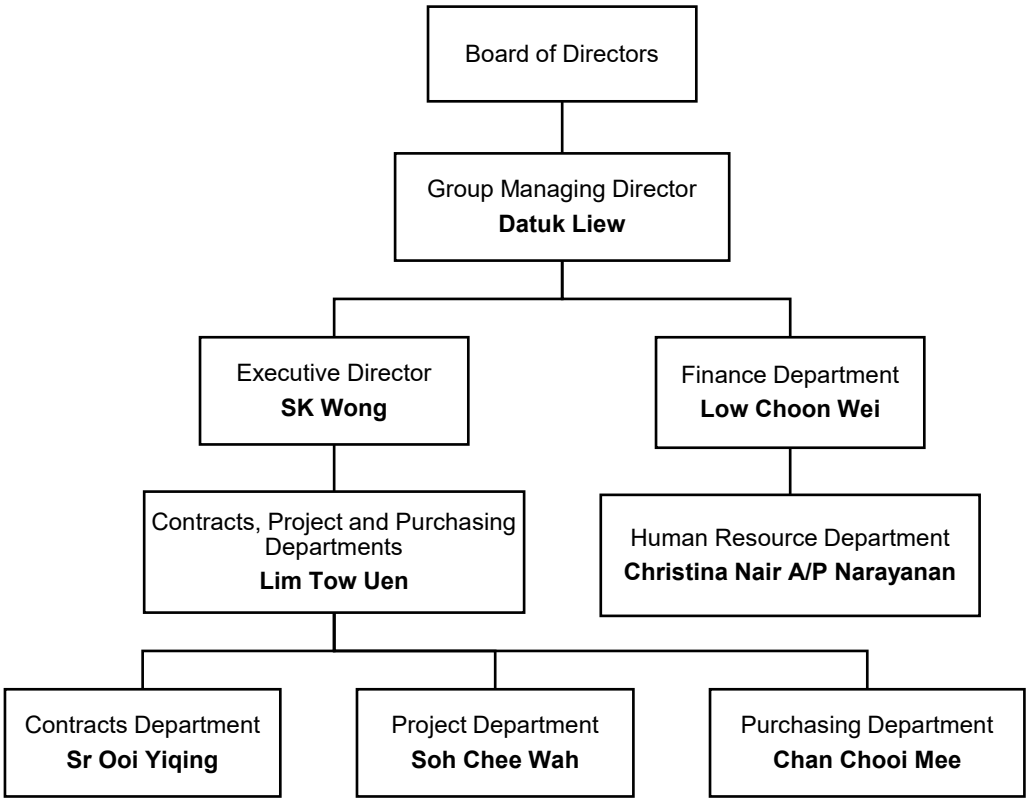
	Remuneration band	
Name	**FYE 2021 Remuneration Band (Actual) (RM'000)**	**FYE 2022 Remuneration Band (Estimate) (RM'000)**
Low Choon Wei	50 – 100[(1)]	200 – 250
Lim Tow Uen	250 – 300	250 – 300
Sr Ooi Yiqing	150 – 200	150 – 200
Soh Chee Wah	200 – 250	200 – 250
Chan Chooi Mee	100 – 150	100 – 150
Christina Nair A/P Narayanan	50 – 100	50 – 100

Note:

(1) Low Choon Wei joined our Group in September 2021 and accordingly his remuneration band for FYE 2021 represents his approximately 4 months service period with our Group for the said financial year.

The remuneration package for our Key Senior Management is subject to the recommendation of our Remuneration Committee and approval by our Board.

5.5 MANAGEMENT REPORTING STRUCTURE



5.6 DECLARATION BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Our Promoters, Directors and Key Senior Management have confirmed that, as at the LPD, he or she is not and has not been involved in any of the following events (whether in or outside Malaysia):

(i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against him/her or any partnership in which he/she was a partner or any corporation of which he/she was a director or member of key senior management;

(ii) he/she was 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, he/she was 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 judgement was entered against him/her, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his/her part, involving a breach of any law or regulatory requirement that relates to the capital market;

(v) in the last 10 years, he/she was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his/her part that relates to the capital market;

(vi) he/she was the subject of any order, judgment or ruling of any court, government or regulatory authority or body temporarily enjoining him/her from engaging in any type of business practice or activity;

(vii) in the last 10 years, he/she has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and

(viii) has an unsatisfied judgement against him/her.

5.7 RELATIONSHIPS AND ASSOCIATIONS BETWEEN OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

There is no family relationship and/or association between any of our Promoters, Substantial Shareholders, Directors and Key Senior Management as at the LPD.

5.8 SERVICE AGREEMENTS

As at the LPD, there are no existing or proposed service agreements entered into or to be entered into by our Directors or Key Senior Management with our Group which provide for benefits upon termination of employment, save for standard employment contracts containing normal terms of employment.

6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR COMPANY

6.1.1 Incorporation and history

Our Company was incorporated in Malaysia under the CA 2016 on 10 November 2021 as a private limited company with the name of Vestland Sdn Bhd and was subsequently converted to a public limited company on 28 April 2022 and adopted our present name of Vestland Berhad.

We are an investment holding company to facilitate our Listing. Through our subsidiary, Vestland Resources, we are principally involved as the builders and contractors for construction work.

There has been no material change in the manner in which our Group conducts its business since our incorporation up to the LPD.

Please refer to Section 7 of this Prospectus for further details of our Group's business.

6.1.2 Share capital

As at the date of this Prospectus, our issued share capital is RM46,458,616 comprising 774,308,700 Shares.

Details of the changes in our issued share capital since incorporation are as follows:

Date of allotment	No. of Shares allotted	Consideration	Nature of transaction	Cumulative issued share capital (RM)
10 November 2021	100	Cash	Subscriber's shares	100
20 April 2022	774,308,600	Otherwise than cash(1)	Allotment of Shares	46,458,616

Note:

(1) Being the consideration paid by our Company to Datuk Liew and SK Wong pursuant to the Acquisition.

There were no discounts, special terms or instalment payment terms given in consideration of the above allotment.

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital.

Upon the completion of our Listing, our enlarged issued share capital will increase to RM100,518,616, comprising 944,308,700 Shares.

6.1.3 Details of the Acquisition

In preparation for our Listing, we have undertaken the Acquisition, details of which are set out below:

On 20 April 2022, Vestland entered into a conditional share sale agreement with the previous shareholders of Vestland Resources, being Datuk Liew and SK Wong, to acquire the entire equity interest in Vestland Resources of RM1,750,000 comprising 1,750,000 ordinary shares in Vestland Resources for a purchase consideration of RM46.46 million which was fully satisfied via the issuance of 774,308,600 new Shares at an issue price of RM0.06 per Share, in the following manner:

Name	No. of ordinary shares in Vestland Resources acquired	% acquired	Purchase consideration (RM)	No. of Shares issued
Datuk Liew	1,487,500	85.00	39,489,738.90	658,162,315
SK Wong	262,500	15.00	6,968,777.10	116,146,285
	1,750,000	**100.00**	**46,458,516.00**	**774,308,600**

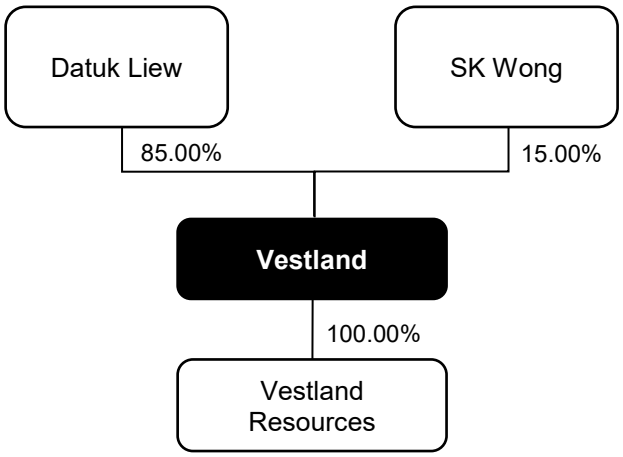
The purchase consideration of RM46.46 million was arrived at on a willing-buyer willing-seller basis, after taking into consideration the audited NA of Vestland Resources of RM46.46 million as at 31 December 2021.

The Acquisition was completed on 20 April 2022.

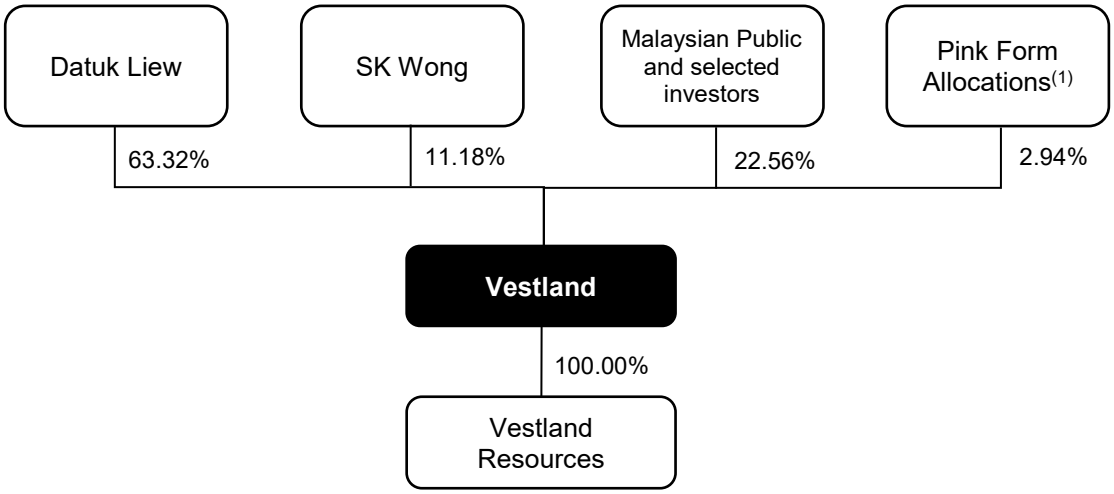
6.2 OUR GROUP STRUCTURE

Our group structure before and after our IPO are set out as below:

Before our IPO as at the date of this Prospectus



After our IPO



Note:

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

6.3 INFORMATION ON OUR SUBSIDIARY

Save for Vestland Resources, as at the date of this Prospectus, we do not have any other subsidiary or associated company. The details of Vestland Resources as at the LPD are as follows:

6.3.1 History and business

Vestland Resources was incorporated in Malaysia on 26 January 2011 under the Companies Act, 1965 as a private limited liability company and is deemed registered under the CA 2016. The principal activity of Vestland Resources is builders and contractors for construction work.

6.3.2 Principal place of business

The principal place of business of Vestland Resources is D-08-03, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.

6.3.3 Share capital

As at the LPD, the issued share capital of Vestland Resources is RM1,750,000 comprising 1,750,000 ordinary shares. There is no change in the issued share capital of Vestland Resources from FYE 2019 to FYE 2021 and up to the LPD.

As at the LPD, Vestland Resources does not have any outstanding warrants, options, convertible securities and uncalled capital.

6.3.4 Shareholder

Vestland Resources is our wholly-owned subsidiary.

6.3.5 Directors

As at the LPD, the directors of Vestland Resources are Datuk Liew and SK Wong.

6.3.6 Subsidiary and associated company

As at the LPD, Vestland Resources does not have any subsidiary and associated company.

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6.4 MATERIAL PLANS TO CONSTRUCT, EXPAND OR IMPROVE OUR FACILITIES

Save for the proposed utilisation of proceeds from our IPO vis-à-vis our capital expenditure as set out in Section 4.5.1 of this Prospectus, our Group does not have any other immediate plans to construct, expand and improve our facilities as at the LPD.

6.5 MATERIAL PROPERTIES

6.5.1 Properties owned by our Group

The details of the material properties owned by our Group as at the LPD are set out below:

No.	Title/ Postal address	Registered owner/ Beneficial owner	Description/ Existing use	Express conditions/ Restrictions in interest/ Category of land use	Encumbrances	Land area/ Built-up area (approximate)	Tenure/ Age of building (approximate)[5]	Date of issuance of CF/ CCC	Audited NBV as at 30 June 2022[6]
1.	**Title:** (a) Pajakan Negeri 20191, Lot no. 48024, Bangunan M1, Tingkat 2, Petak 2, Pekan Baru Sungai Buloh, District of Petaling, State of Selangor (b) Pajakan Negeri 20191, Lot no. 48024, Bangunan M1, Tingkat 3, Petak 3, Pekan Baru Sungai Buloh, District of Petaling, State of Selangor	**Registered owner:** Vestland Resources	**Description:** 2 units of 3-storey shop office **Existing use:** Rented to a third party for use as office	**Express condition:** Business **Restrictions in interests:** This land shall not be transferred, charged or mortgaged except with the permission of the state authority. **Category of land use:** Building	*Unit 21-1* (i) Charge to Public Bank Berhad *Unit 21-2* (i) Private caveat in favour of Public Bank Berhad (ii) Charge to Public Bank Berhad	**Land area:** *Unit 21-1* 1,884 sq. ft. *Unit 21-2* 1,884 sq. ft. **Built-up area:** *Unit 21-1* 1,718 sq. ft. *Unit 21-2* 1,718 sq. ft.	Leasehold, expiring on 18 November 2102 **Age of building:** 18 years	31.05.2004	**Unit 21-1:** RM323,999.69 **Unit 21-2:** RM345,333.07

No.	Title/ Postal address	Registered owner/ Beneficial owner	Description/ Existing use	Express conditions/ Restrictions in interest/ Category of land use	Encumbrances	Land area/ Built-up area (approximate)	Tenure/ Age of building (approximate)[5]	Date of issuance of CF/ CCC	Audited NBV as at 30 June 2022[6]
	Postal address: (a) No. 21-1, Pusat Perdagangan Seri Utama, Jalan Sepah Puteri 5/1B, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor[1] (b) No. 21-2, Pusat Perdagangan Seri Utama, Jalan Sepah Puteri 5/1B, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor[1]								
2.	**Master Title:** Geran 335450, Lot 74612, Bandar Glenmarie, District of Petaling, State of Selangor **Postal address:** (a) A G-1 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor	**Registered owner:** Sg. Besi Construction Sdn Bhd **Beneficial owner:** Vestland Resources[2]	**Description:** 8 shop units together with 16 car park bays forming part of the Glenz Mixed Commercial Development Project **Existing use:** Vacant	**Express condition:** Commercial building **Restrictions in interests:** Nil **Category of land use:** Building	Assigned to Public Islamic Bank Berhad pursuant to a deed of assignment dated 24 January 2020 and a deed of assignment dated 3 February 2020	**Built-up area:** *Unit A G-1* 1,299 sq. ft. *Unit B 1-1* 1,223 sq. ft. *Unit C 2-1* 2,278 sq. ft. *Unit C 3-1* 2,278 sq. ft.	Freehold **Age of building:** Less than 1 year	02.11.2022	**Unit A G-1:** RM2,336,769.60 **Unit B 1-1:** RM1,243,508.00 **Unit C 2-1:** RM1,781,692.00 **Unit C 3-1:** RM2,138,030.40 **Unit A3 G-2:** RM1,585,843.20

No.	Title/ Postal address	Registered owner/ Beneficial owner	Description/ Existing use	Express conditions/ Restrictions in interest/ Category of land use	Encumbrances	Land area/ Built-up area (approximate)	Tenure/ Age of building (approximate)[5]	Date of issuance of CF/ CCC	Audited NBV as at 30 June 2022[6]
	(b) B 1-1 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor (c) C 2-1 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor (d) C 3-1 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor (e) A3 G-2 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor (f) B3B 1-2 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor					*Unit A3 G-2* 1,278 sq. ft. *Unit B3B 1-2* 1,163 sq. ft. *Unit C3B 2-2* 1,521 sq. ft. *Unit C3B 3-2* 1,521 sq. ft.			**Unit B3B 1-2:** RM938,042.40 **Unit C3B 2-2:** RM943,688.00 **Unit C3B 3-2:** RM1,132,426.40

No.	Title/ Postal address	Registered owner/ Beneficial owner	Description/ Existing use	Express conditions/ Restrictions in interest/ Category of land use	Encumbrances	Land area/ Built-up area (approximate)	Tenure/ Age of building (approximate)[5]	Date of issuance of CF/ CCC	Audited NBV as at 30 June 2022[6]
	(g) C3B 2-2 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor (h) C3B 3-2 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor								
3.	**Master Title:** Geran 335450, Lot 74612, Bandar Glenmarie, District of Petaling, State of Selangor **Postal address:** (a) N-20-1 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor	**Registered owner:** Sg. Besi Construction Sdn Bhd **Beneficial owner:** Vestland Resources[3]	**Description:** 12 office units together with 32 car park bays forming part of the Glenz Mixed Commercial Development Project **Existing use:** Vacant[4]	**Express condition:** Commercial building **Restrictions in interests:** Nil **Category of land use:** Building	**Units N-20-1 and N-20-2:** Assigned to AmBank (M) Berhad pursuant to 2 deeds of assignment **Units N-20-3 to N-20-12:** Assigned to AmBank (M) Berhad pursuant to 10 deeds of assignment all dated 15 February 2022	**Built-up area:** *Unit N-20-1* 1,173 sq. ft. *Unit N-20-2* 823 sq. ft. *Unit N-20-3* 823 sq. ft. *Unit N-20-3B* 1,006 sq. ft. *Unit N-20-5* 1,006 sq. ft.	Freehold **Age of building:** Less than 1 year	02.11.2022	**Unit N-20-1:** 1,011,690.00 **Unit N-20-2:** 714,190.00 **Unit N-20-3:** RM714,190.00 **Unit N-20-3B:** RM869,740.00 **Unit N-20-5:** RM869,740.00

6. INFORMATION ON OUR GROUP *(cont'd)*

No.	Title/ Postal address	Registered owner/ Beneficial owner	Description/ Existing use	Express conditions/ Restrictions in interest/ Category of land use	Encumbrances	Land area/ Built-up area (approximate)	Tenure/ Age of building (approximate)[5]	Date of issuance of CF/ CCC	Audited NBV as at 30 June 2022[6]
	(b) N-20-2 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor					*Unit N-20-6* 823 sq. ft. *Unit N-20-7* 1,173 sq. ft.			**Unit N-20-6:** RM714,190.00 **Unit N-20-7:** RM1,011,690.00
	(c) N-20-3 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor					*Unit N-20-8* 823 sq. ft. *Unit N-20-9* 823 sq. ft.			**Unit N-20-8:** RM717,850.00 **Unit N-20-9:** RM717,850.00
	(d) N-20-3B Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor					*Unit N-20-10* 823 sq. ft. *Unit N-20-11* 823 sq. ft.			**Unit N-20-10:** RM717,850.00 **Unit N-20-11:** RM717,850.00
	(e) N-20-5 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor					*Unit N-20-12* 684 sq. ft			**Unit N-20-12:** RM599,700.00

6. INFORMATION ON OUR GROUP *(cont'd)*

No.	Title/ Postal address	Registered owner/ Beneficial owner	Description/ Existing use	Express conditions/ Restrictions in interest/ Category of land use	Encumbrances	Land area/ Built-up area (approximate)	Tenure/ Age of building (approximate)[5]	Date of issuance of CF/ CCC	Audited NBV as at 30 June 2022[6]
	(f) N-20-6 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor (g) N-20-7 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor (h) N-20-8 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor (i) N-20-9 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor								

No.	Title/ Postal address	Registered owner/ Beneficial owner	Description/ Existing use	Express conditions/ Restrictions in interest/ Category of land use	Encumbrances	Land area/ Built-up area (approximate)	Tenure/ Age of building (approximate)[5]	Date of issuance of CF/ CCC	Audited NBV as at 30 June 2022[6]
	(j) N-20-10 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor								
	(k) N-20-11 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor								
	(l) N-20-12 Sub Place Boulevard Pusat Komersial Vestland No. 6 Jalan Juruanalisis U1/35 Seksyen U1, 40150 Shah Alam, Selangor								

Notes:

(1) Vestland Resources (as vendor) had entered into separate sale and purchase agreements with the respective purchasers for the disposal of the said properties in order to generate additional cash flows to be utilised for our Group's working capital purposes. Further details of the sale and purchase agreements and the status of disposal of the said properties are set out in Section 15.4 of this Prospectus.

(2) Vestland Resources (as purchaser) had on 31 May 2019 entered into sale and purchase agreements with Sg. Besi Construction Sdn Bhd (as developer) to acquire 8 shop units with a view of fostering and maintaining good business relationship as well as after taking into consideration the commercial value of these properties. These shop units were not acquired by way of contra payment.

(3) Vestland Resources (as purchaser) had on 23 September 2021 and 19 January 2022 entered into sale and purchase agreements with Sg. Besi Construction Sdn Bhd (as developer) to acquire 10 units and 2 units of office suites respectively. These office suites were not acquired as contra payment.

(4) We intend to utilise the 12 units of office suites as our new head office, the details of which are further set out in Section 4.5.1 of this Prospectus.

(5) The age of the building is calculated from the date of issuance of CF or CCC up to the LPD.

(6) The audited NBV is inclusive of the accessory parcels, where applicable.

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6.5.2 Properties rented by our Group

The details of the material properties rented by our Group as at the LPD are set out below:

No.	Landlord	Tenant	Location/ Postal address	Description/ Existing use	Tenure of tenancy	Built-up area	Date of issuance of CF/ CCC	Rental payable per month (RM)
1.	Setoh Yut Sang and Cheong Weng Mooi	Vestland Resources	D-07-02, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU5, 47810 Petaling Jaya, Selangor Darul Ehsan	**Description:** An office unit at 7th floor of a 30-storey office building **Existing use:** Used as office	9 months commencing from 10 March 2022 and expiring on 9 December 2022(1)	1,052 sq. ft.	06.12.2013	RM2,104.00
2.	Chan Wan Chey and Lee Wai Hon Wayne	Vestland Resources	D-07-03, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU5, 47810 Petaling Jaya, Selangor Darul Ehsan	**Description:** An office unit at 7th floor of a 30-storey office building **Existing use:** Used as office	9 months commencing from 10 March 2022 and expiring on 9 December 2022(1)	1,021 sq. ft.	06.12.2013	RM2,042.00
3.	H'ng Boon Keng and Toh Woan Fei	Vestland Resources	D-08-03, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU5, 47810 Petaling Jaya, Selangor Darul Ehsan	**Description:** An office unit at 8th floor of a 30-storey office building **Existing use:** Used as our head office	9 months commencing from 10 March 2022 and expiring on 9 December 2022(1)	1,018 sq. ft.	06.12.2013	RM2,036.00
4.	Christina Kow Sow Choo	Vestland Resources	D-08-3A, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU5, 47810 Petaling Jaya, Selangor Darul Ehsan	**Description:** An office unit at 8th floor of a 30-storey office building **Existing use:** Used as office	9 months commencing from 10 March 2022 and expiring on 9 December 2022(1)	1,449 sq. ft.	06.12.2013	RM2,898.00
5.	Christina Kow Sow Choo	Vestland Resources	D-08-05, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU5, 47810 Petaling Jaya, Selangor Darul Ehsan	**Description:** An office unit at 8th floor of a 30-storey office building **Existing use:** Used as office	9 months commencing from 10 March 2022 and expiring on 9 December 2022(1)	1,306 sq. ft.	06.12.2013	RM2,612.00

No.	Landlord	Tenant	Location/ Postal address	Description/ Existing use	Tenure of tenancy	Built-up area	Date of issuance of CF/ CCC	Rental payable per month (RM)
6.	Han Hoon Ching and Low Hwee Kiang	Vestland Resources	D-08-06, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU5, 47810 Petaling Jaya, Selangor Darul Ehsan	**Description:** An office unit at 8th floor of a 30-storey office building **Existing use:** Used as office	9 months commencing from 10 March 2022 and expiring on 9 December 2022(1)	980 sq. ft.	06.12.2013	RM1,960.00
7.	Lee Pui Kuan	Vestland Resources	D-08-07, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU5, 47810 Petaling Jaya, Selangor Darul Ehsan	**Description:** An office unit at 8th floor of a 30-storey office building **Existing use:** Used as office	9 months commencing from 10 March 2022 and expiring on 9 December 2022(1)	1,008 sq. ft.	06.12.2013	RM2,016.00
8.	Toh Chau Keong	Vestland Resources	Geran Mukim 5952, Lot 994, Pekan Kuang, Daerah Gombak, Selangor Darul Ehsan	**Description:** A unit of open factory lot **Existing use:** Used as storage space for construction plants, tools and materials	2 years commencing from 1 February 2021 and expiring on 31 January 2023	4,107 sq. ft.	Temporary permit(2) dated 20.10.2022 **Validity:** 10.11.2022 – 09.05.2023	RM8,000.00
9.	Juang Jaya Sdn Bhd	Vestland Resources	E-30-3, Lot 30, 3rd Floor, Block E, Kota Kinabalu Times Square, Jalan Coastal, 88000 Kota Kinabalu, Sabah	**Description:** A unit of office **Existing use:** Used as office	2 years commencing from 1 April 2021 and expiring on 31 March 2023	1,441 sq. ft.	30.01.2018	RM3,500.00

Notes:

(1) Vestland Resources and the respective landlords have executed 7 letters of extension all dated 25 October 2022 to extend the tenancies for a further term of 3 months, commencing from 10 December 2022 and expiring on 9 March 2023, on the same terms and conditions as the original tenancy agreements.

(2) In view that we have obtained a temporary permit from Majlis Perbandaran Selayang, we are not required to obtain a CCC/CF for the temporary building during the validity period of the temporary permit. Further details of the temporary permit are set out in Section 6.6 of this Prospectus.

6.6 MAJOR APPROVALS, LICENSES AND PERMITS

Details of the major approvals, licences and permits obtained by our Group for the operation of our business and the status of compliance as at the LPD are as set out below:

No.	Holder of license/ certificate	Issuing authority	Type of approvals/ licenses/ permits	Registration/ Certificate/ Permit no.	Date of issuance/ validity	Major conditions imposed	Status of compliance
1.	Vestland Resources	CIDB	Certificate of registration pursuant to Part VI of the CIDB Act 1994 in respect of Grade 7 (Unlimited tender / contract value) for: **(a) Category:** B (Building) **Specialisation:** B01 (Prefabricated concrete systems) B04 (Construction work on buildings) B29 (Health building work) **(b) Category:** CE (Civil engineering) **Specialisation:** CE21 (Civil engineering construction) **(c) Category:** ME (Mechanical and electrical) **Specialisation:** M15 (Miscellaneous mechanical equipment)	**Registration no.:** 0120110718-WP135237	**Date of issuance:** 18 September 2021 **Validity:** 18 September 2021 – 1 December 2024	(1) This certificate is non-transferable. (2) The contractor shall comply with the provisions in the CIDB Act 1994, the regulations issued pursuant to the CIDB Act 1994 and any terms, conditions or restrictions imposed by the CIDB from time to time. (3) The contractor shall not participate in any tender or execute any construction work after the expiry and until such time this certificate has been renewed. (4) The contractor shall not undertake any construction project which exceeds the value of the construction project specified under the registration grade and shall not execute any type of construction project which is outside the registered category.	Noted and complied.

6. INFORMATION ON OUR GROUP *(cont'd)*

No.	Holder of license/ certificate	Issuing authority	Type of approvals/ licenses/ permits	Registration/ Certificate/ Permit no.	Date of issuance/ validity	Major conditions imposed	Status of compliance
						(5) The contractor shall furnish information regarding any construction works or contract within 14 days after such contract is awarded or the commencement of such construction works, whichever is earlier. (6) The contractor shall exhibit this certificate at its place of business. (7) The contractor shall exhibit the registration number on the sign board at each of its construction sites. (8) The contractor shall apply for renewal of registration within 60 days prior to the expiry date as stated in this certificate. (9) The contractor shall appoint skilled construction workers and site supervisors accredited and certified by the CIDB. (10) All employee at the construction site must have a valid construction personnel card.	

6. INFORMATION ON OUR GROUP *(cont'd)*

No.	Holder of license/ certificate	Issuing authority	Type of approvals/ licenses/ permits	Registration/ Certificate/ Permit no.	Date of issuance/ validity	Major conditions imposed	Status of compliance
2.	Vestland Resources	CIDB	Certificate of Government Procurement Works (Sijil Perolehan Kerja Kerajaan) in respect of Grade 7 (Unlimited tender / contract value) for: **(a) Category:** • B (Building) • CE (Civil engineering) • ME (Mechanical and electrical) **(b) Commissioned officers of the company:** • SK Wong • Datuk Liew	**Registration no.:** 0120110718-WP135237	**Date of issuance:** 18 September 2021 **Validity:** 18 September 2021 – 1 December 2024	(1) This certificate shall not be used as a licence for commencing or undertaking any construction works. This certificate can only be used for government procurement works or other government agency procurement works only. (2) This certificate shall be submitted together with the certificate of registration issued by the CIDB as contractor when the company tenders for government contracts. (3) This certificate shall be renewed together with the certificate of registration issued by the CIDB as contractor. (4) The company / certificate holder shall not lend, lease, transfer, allow or cause this certificate to be used by other persons not named in this certificate for the purpose of government procurement works.	Noted and complied.

6. INFORMATION ON OUR GROUP *(cont'd)*

No.	Holder of license/ certificate	Issuing authority	Type of approvals/ licenses/ permits	Registration/ Certificate/ Permit no.	Date of issuance/ validity	Major conditions imposed	Status of compliance
						(5) The contractor shall not participate in any tender or execute any construction works after the expiry of this certificate and until such time this certificate has been renewed. (6) Only the officers of the company named in this certificate are allowed to sign the documents and contracts of the company and accept the offer documents as well as attend to site visits for balloting, quotation and tender. The Company shall not be represented by other officers for the aforementioned matters.	
3.	Vestland Resources	Energy Commission Malaysia	Certificate of registration as electrical contractor under class A at D-08-03, Menara Mitraland, NP.13A, Jalan PJU 5/1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor pursuant to Regulation 75 of the Electrical Regulations 1994	**Certificate no.:** 2021/02058	**Date of issuance:** 13 August 2021 **Validity:** 13 August 2021 – 12 August 2023	Nil	Not applicable
4.	Vestland Resources	National Water Services Commission	Water services industry ("**IPA**") permits type C in respect of performing construction, installation and modification works to any parts of the water supply system or sewerage system for tenders and/ or project development exceeding	**Permit no.:** SPAN/EKS/(PT)/800-2C/1/21/1553	**Date of issuance:** 15 November 2022 **Validity:** 11 November 2022 – 10 November 2023	(1) The permit holder shall carry out the work, and within the state or states, specified in the permit only.	Noted and complied

6. INFORMATION ON OUR GROUP *(cont'd)*

No.	Holder of license/ certificate	Issuing authority	Type of approvals/ licenses/ permits	Registration/ Certificate/ Permit no.	Date of issuance/ validity	Major conditions imposed	Status of compliance
			RM10,000,000 (Type C1) at Peninsular Malaysia and Federal States of Putrajaya and Labuan.			(2) The permit holder shall notify the National Water Services Commission of any change of particulars of the permit holder. (3) The permit holder shall provide information, in the format and within the period, as required by the National Water Services Commission. (4) Employees and service provider of the permit holder shall be allowed to carry out the permitted work under the permit for the permit holder provided that the permit holder shall at each time be responsible for all actions or omissions of its employees and service provider. (5) The permit holder shall at all times maintain the required certificate of registration as a registered contractor issued by the CIDB, if required. (6) The permit holder shall at all times possess and maintain the qualification to hold permits as determined by the National Water Services Commission from time to time.	

6. INFORMATION ON OUR GROUP *(cont'd)*

No.	Holder of license/ certificate	Issuing authority	Type of approvals/ licenses/ permits	Registration/ Certificate/ Permit no.	Date of issuance/ validity	Major conditions imposed	Status of compliance
						(7) Permit holders shall ensure that they always have qualified employees to carry out the operations of the company. (8) The permit holder shall ensure that the subbed works is given to contractor that is a valid National Water Services Commission permit holder. (9) The permit holder shall have an employee who holds a Type A IPA Permit or use the services of a plumber who holds a Type A IPA Permit to carry out related works.	
5.	Vestland Resources	National Water Services Commission	IPA permit type D[1] in respect of performing maintenance works but not involving management of the system to any part of – (a) the water supply system in Kelantan Darul Naim; (b) the sewerage system in Kelantan Darul Naim; and (c) the sewerage system in Wilayah Persekutuan Kuala Lumpur	**Permit no.** SPAN/EKS/(PT)/800-2D/2/21/1553	**Date of issuance:** 1 October 2021 **Validity:** (a) 29 September 2021 – 28 September 2024 (b) 9 October 2021 – 8 October 2024 (c) 9 October 2021 – 8 October 2024	(1) The permit holder shall carry out the work, and within the state or states, specified in the permit only. (2) The permit holder shall notify the National Water Services Commission of any change of particulars of the permit holder. (3) The permit holder shall provide information, in the format and within the period, as required by the National Water Services Commission.	Noted and complied

6. INFORMATION ON OUR GROUP *(cont'd)*

No.	Holder of license/ certificate	Issuing authority	Type of approvals/ licenses/ permits	Registration/ Certificate/ Permit no.	Date of issuance/ validity	Major conditions imposed	Status of compliance
						(4) Employees and service provider of the permit holder shall be allowed to carry out the permitted work under the permit for the permit holder provided that the permit holder shall at each time be responsible for all actions or omissions of its employees and service provider. (5) The permit holder shall at all times maintain the required certificate of registration as a registered contractor issued by the CIDB, if required. (6) The permit holder shall at all times possess and maintain the qualification to hold permits as determined by the National Water Services Commission from time to time. (7) Permit holders shall ensure that they always have qualified employees to carry out the operations of the company. (8) The permit holder shall ensure that the subbed works is given to contractor that is a valid National Water Services Commission permit holder.	

6. INFORMATION ON OUR GROUP *(cont'd)*

No.	Holder of license/ certificate	Issuing authority	Type of approvals/ licenses/ permits	Registration/ Certificate/ Permit no.	Date of issuance/ validity	Major conditions imposed	Status of compliance
						(9) The permit holder shall have an employee who holds a Type A IPA Permit or use the services of a plumber who holds a Type A IPA Permit to carry out related works.	
6.	Vestland Resources	Majlis Bandaraya Petaling Jaya (MBPJ)	Trade, business and industries licence for our head office located at D-08-03, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor, Malaysia	L2540000623964	**Date of issuance:** 8 February 2022 **Validity:** 8 February 2022 – 31 December 2022	The licence shall be displayed in the premises at all times and shown if required to do so by the officer from MBPJ.	Noted and complied
7.	Vestland Resources	Mayor Bandaraya Kota Kinabalu	Business licence for our operating office located at Unit No. E-30-3, Lot 30, 3rd Floor, Block E, Kota Kinabalu Times Square, Jalan Coastal 88000 Kota Kinabalu, Sabah	698752	**Date of issuance:** 24 February 2022 **Validity:** 24 February 2022 – 31 December 2022	Nil	Not applicable
8.	Wong Sai Kit/ Vestland Resources	Majlis Perbandaran Selayang	Temporary permit for warehouse storage located at Lot 994, Pekan Kuang, Daerah Gombak, Selangor Darul Ehsan	202000001738	**Date of issuance:** 20 October 2022 **Validity:** 10 November 2022 – 9 May 2023	The licence shall be displayed in the licenced premise and be renewed before the validity period ends.	Noted and complied
9.	Vestland Resources	Jabatan Tenaga Kerja Semenanjung Malaysia Kementerian Sumber Manusia	Certification for accommodation for workers' accommodations at Lot 45648, Jalan 33/142 Bukit Madarina, Mukim Petaling, Kuala Lumpur in respect of the Residensi Armani Petaling (Cheras) Project	AC/11401/2021/0833	**Date of issuance:** 28 December 2021 **Validity:** 28 December 2021 – 28 December 2024	(1) The employer shall place no more than 44 people in the accommodation. (2) The employer shall display the certificate for accommodation on the outer wall of the accommodation that is visible.	Noted and complied

No.	Holder of license/ certificate	Issuing authority	Type of approvals/ licenses/ permits	Registration/ Certificate/ Permit no.	Date of issuance/ validity	Major conditions imposed	Status of compliance
10.	Vestland Resources	Jabatan Tenaga Kerja Semenanjung Malaysia Kementerian Sumber Manusia	Certification for accommodation for workers' accommodations at PT 39, Jalan Hamzah, Ampang Pecah, Mukim Buloh Telor, Daerah Hulu Selangor, 44000 Kuala Kubu Bharu, Selangor in respect of the KKB Academic Building and Student Accommodation Project	AC/11003/2022/1804	**Date of issuance:** 28 March 2022 **Validity:** 28 March 2022 – 28 March 2025	(1) The employer shall place no more than 60 people in the accommodation. (2) The employer shall display the certificate for accommodation on the outer wall of the accommodation that is visible.	Noted and complied
11.	Vestland Resources	Jabatan Tenaga Kerja Semenanjung Malaysia Kementerian Sumber Manusia	Certification for accommodation for workers' accommodations at PT 51807 (HSD 323243) Damansara Perdana, Mukim Sungai Buloh, Daerah Petaling, 47000 Sungai Buloh, Selangor in respect of the D'vine Residences Project	AC/11001/2022/2096	**Date of issuance:** 12 April 2022 **Validity:** 12 April 2022 – 12 April 2025	(1) The employer shall place no more than 120 people in the accommodation. (2) The employer shall display the certificate for accommodation on the outer wall of the accommodation that is visible.	Noted and complied

Note:

(1) Our Group had applied for the IPA permit Type D to perform works in Kelantan and Kuala Lumpur as there were project tender opportunities available to our Group at these locations.

The aforementioned approvals, licenses and permits held by our Group are subject to periodic or annual renewal. Our Group will commence the renewal process of the aforementioned approvals, licenses and permits immediately upon the opening of the renewal period. Furthermore, our Group has not experienced any difficulties in renewing its approvals, licenses and permits in the past and have not experienced, nor do we anticipate any major difficulties in obtaining the respective approvals and renewals within the respective validity period which may impact our Group's business operations.

6.7 MATERIAL REGULATORY REQUIREMENTS

Our Group's business operations are subject to the following material laws and regulations:

(i) Lembaga Pembangunan Industri Pembinaan Malaysia Act, 1994 ("CIDB Act")

The CIDB Act regulates the establishment of the CIDB and provides for its function relating to the construction industry and for matters connected therewith.

Pursuant to Section 25 of the CIDB Act, a contractor must register with the CIDB and hold a valid certificate of registration issued by the CIDB under the CIDB Act in order to carry out or complete, undertake to carry out or complete any construction works or hold himself as a contractor.

Failure to register with the CIDB constitutes an offence and on conviction, the party in breach of the CIDB Act may be liable to a fine of not less than RM10,000.00 but not more than RM100,000.00.

(ii) Street, Drainage and Building Act, 1974 ("SDBA") and Uniform Buildings By-Laws, 1984 ("UBBL")

The SDBA provides for the requirement to have a CF or CCC to ensure that the building is safe and fit for occupation.

The UBBL has been put into force pursuant to the exercise of the powers conferred by Section 133 of the SDBA. Under the UBBL, a CF or CCC in respect of a building shall be issued upon satisfaction of amongst others, the following requirements:

(a) The qualified persons (i.e. the architect, registered building draughtsman or engineer) ("**Qualified Persons**") have certified that they have supervised the erection of the building during the course of the work;

(b) The building has been constructed in accordance with the UBBL and any conditions imposed by the local authority have been satisfied;

(c) The Qualified Persons accept full responsibility for those portions which they are respectively concerned with; and

(d) All essential services have been provided.

Any person who occupies or permits to be occupied any building or any part thereof without a CF / CCC shall be liable on conviction to a fine not exceeding RM250,000.00 or to imprisonment for a term not exceeding 10 years or to both.

(iii) Electricity Supply Act, 1990 ("ESA") and Electricity Regulations, 1994 ("Electricity Regulations")

The ESA regulates the electricity supply industry, the supply of electricity at reasonable prices, the licensing of any electrical installation and the control of any electrical installation, plant and equipment with respect to matters relating to the safety of persons and the efficient use of electricity and for purposes connected therewith.

Pursuant to Regulation 75 of the Electricity Regulations, no person shall perform or carry out any electrical work unless he holds a valid certificate of registration as an electrical contractor issued under the Electricity Regulations.

A person who contravenes or fails to comply with any provisions of the Electricity Regulations shall be guilty of an offence and shall on conviction, be liable to a fine not exceeding RM5,000.00 or to imprisonment for a term not exceeding one year.

(iv) Water Services Industry Act, 2006 ("WSIA")

The WSIA regulates the water supply services and sewerage services and matters incidental thereto in Peninsular Malaysia and the Federal Territories of Putrajaya and Labuan.

Under Section 50(1) of the WSIA, subject to such exemptions as may be specified by the National Water Services Commission ("**NWSC**"), no person shall –

(a) carry out any construction, connection, modifications or repairs to water pipes and water fittings which convey or will convey water from the public mains;

(b) carry out any works necessary to connect a private connection pipe to a sewer or sewerage treatment works;

(c) construct, install or modify any part of a water supply system or sewerage system;

(d) carry out maintenance services for a water supply system or a sewerage system but does not involve the operation of such systems; or

(e) undertake, provide or make available sewerage desludging services or any other sewerage services,

without a written permit issued by the NWSC.

A person who fails to comply with Section 50(1) of the WSIA commits an offence and shall on conviction, be liable to a fine not exceeding RM300,000.00 or to imprisonment for a term not exceeding 3 years or to both.

(v) Occupational Safety and Health Act, 1994 ("OSHA")

Under the OSHA, employers and every self-employed person must as far as is practicable, ensure the safety, health and welfare at work of all their employees by (including but without limitation) –

(a) the provision and maintenance of plant and systems of work that are, so far as is practicable, safe and without risks to health;

(b) the making of arrangements for ensuring, so far as is practicable, safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;

(c) the provision of such information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health at work of its employees;

(d) so far as is practicable, as regards any place of work under the control of the employer or self-employed person, the maintenance of it in a condition that is safe and without risks to health and the provision and maintenance of the means of access to and egress from it that are safe and without such risks; and

(e) the provision and maintenance of a working environment for its employees that is, so far as is practicable, safe, without risks to health, and adequate as regards facilities for their welfare at work.

Any person who contravenes the above shall be guilty of an offence and shall on conviction, be liable to a fine not exceeding RM50,000.00 or to imprisonment for a term not exceeding 2 years or to both.

(vi) Employees' Minimum Standards of Housing, Accommodations and Amenities Act, 1990 ("Employee's Accommodation Act") and Employee's Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations, 2020 ("Employees' Accommodation Regulations")

The Employees' Accommodation Act imposes the duty and responsibility on employers or centralised accommodation providers to, amongst others, ensure that no accommodation will be provided unless certified with a Certificate for Accommodation.

Further, the Employees' Accommodation Regulations, enacted pursuant to the Employees' Accommodation Act, imposes among others, the minimum requirements for employee accommodations including the size of floor area for bedrooms and sleeping areas, the obligation on employers or centralised accommodation providers to ensure the provision of water and electricity supply as well as basic amenities which will not be shared in the employee accommodations.

An employer who fails to obtain the Certificate for Accommodation or fails to ensure the employee accommodation is fit for human habitation in accordance with the relevant written laws, commits an offence and will on conviction, be liable to a fine not exceeding RM50,000.00. Any employer who contravenes any other provision of the Employee's Accommodation Act or any regulation made thereunder or fails to carry out any order made by the Director General of Labour, will be guilty of an offence under such provision, and if no penalty is expressly provided for, the offence will on conviction, be liable to a fine not exceeding RM50,000.00 and to a further fine not exceeding RM1,000.00 a day for each day during which the offence continues.

(vii) Factories and Machinery Act, 1967 ("FAMA") and Factories and Machinery (Building Operations and Works and Engineering Construction) (Safety) Regulations, 1986 ("FAM Regulations")

The FAMA provides for the control of factories with respect to matters relating to the safety, health and welfare of person therein, the registration and inspection of machinery and for matters connected therewith.

Section 19(1) of the FAMA provides that no person shall operate or cause or permit to be operated any machinery in respect of which a certificate is prescribed, unless there is in force in relation to the operation of machinery a valid certificate of fitness issued under the FAMA.

In the case of any contravention of Section 19(1) of the FAMA, an inspector of factories and machineries appointed under the FAMA shall serve upon the person a notice in writing prohibiting the operation of the machinery or may render the machinery inoperative until such time as a valid certificate of fitness is issued. Any person who contravenes Section 19(1) of the FMA 1967 shall be guilty of an offence and shall on conviction, be liable to a fine not exceeding RM150,000.00 or to imprisonment for a term not exceeding 3 years or to both.

The FAM Regulations provide for the regulation of building operations and works of engineering constructions including amongst others, the requirement for main contractors to appoint site safety supervisor, the requirement for use of safety helmets at sites and the requirement for heavy machineries to not be installed and used at higher floors.

Any person who contravenes any provisions of the FAM Regulations shall be guilty of an offence and shall on conviction, be liable to a fine not exceeding RM2,000.00.

(viii) Employment (Restriction) Act, 1968 (Revised 2017) ("ERA")

The ERA provides for the restriction of employment in certain business activities in Malaysia of persons not being citizens and the registration of such persons and for matters connected therewith.

Section 5 of the ERA prohibits a person from employing in Malaysia any non-citizen unless there has been issued in respect of that non-citizen a valid employment permit.

Section 12(1) of the ERA stipulates that subject to any exemption which may be granted under the ERA, every non-citizen of the class or classes or in the category or categories of employment or business shall be registered with the Director General of Labour.

Pursuant to Section 17(1) of the ERA, any person who fails to comply with Section 5 or Section 12 of the ERA commits an offence and shall on conviction, be liable to a fine not exceeding RM5,000.00 or to imprisonment for a term not exceeding one year or to both. Further, pursuant to Section 17(3) of the ERA 1968, every omission or neglect to comply with, and every act done or attempted to be done contrary to the ERA or any regulations made thereunder, or any breach of the conditions and restrictions subject to or upon which an employment permit is issued under the ERA, shall be an offence against the ERA and the offender shall on conviction, if no penalty is expressly provided, be liable to a fine not exceeding RM1,000.00 or to imprisonment for a term not exceeding 6 months or to both and, in the case of a continuing offence, to a further fine not exceeding RM100.00 a day.

(ix) Immigration Act, 1959/63 ("Immigration Act")

The Immigration Act regulates various aspects of immigration into Malaysia, including the entry of foreign workers into Malaysia.

Section 55B(1) of the Immigration Act states that any person who employs one or more persons, other than a citizen or a holder of an entry permit who is not in possession of a valid pass to enter Malaysia shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000.00 but not more than RM50,000.00 or to imprisonment for a term not exceeding 12 months or to both for each of such employee.

Section 55B(3) of the Immigration Act further states that where in the case of an offence under Section 55B(1), it is proved to the satisfaction of the court that the person has at the same time employed more than 5 of such employees, that person shall, on conviction be liable to imprisonment for a term of not less than 6 months but not more than 5 years and shall also be liable to whipping of not more than 6 strokes.

Where the offence under Section 55B(1) is committed by a body corporate, any person who at the time of the commission of the offence was a member of the board of directors, a manager, a secretary or a person holding an office or a position similar to that of a manager or secretary of the body corporate shall be guilty of that offence and shall be liable to the same punishment under Section 55B(1) or Section 55B(3).

(x) Environmental Quality Act, 1974 ("EQA")

The EQA governs the prevention, abatement, control of pollution and enhancement of the environment.

Among others, pursuant to Section 22(1) of the EQA, unless licensed, no person shall emit or discharge any environmentally hazardous substances, pollutants or wastes into the atmosphere in contravention of the acceptable conditions specified under Section 21 of the EQA.

Any person who contravenes Section 22(1) of the EQA shall be guilty of an offence and shall be liable to a fine not exceeding RM100,000.00 or to imprisonment for a period not exceeding 5 years or to both and to a further fine not exceeding RM1,000.00 a day for every day that the offence is continued after a notice by the Director General of Environmental Quality requiring him to cease the act specified therein has been served upon him.

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6.8 EMPLOYEES

Our Group has a total workforce of 215 and 210 employees respectively as at 30 June 2022 and as at the LPD.

A summary of the Group's total workforce by job functions as at 30 June 2022 and the LPD are as set out below:

Categories	Number of employees	
	FPE 2022	As at the LPD
Executive Directors	2	2
Human resource and administration department	14	13
Accounting and finance department	10	9
Contract division	18	19
Purchasing department	8	8
Operation department	81	80
Construction site workers(1)	82	79
Total(2)	**215**	**210**

Notes:

(1) All of our construction site workers are contractual foreign workers. As at 30 June 2022 and the LPD, our Group has not employed foreign workers in other job function categories. As at the LPD, the hiring of our foreign workers is in compliance with the labour laws of Malaysia.

(2) Consists of 110 and 107 contractual employees respectively as at 30 June 2022 and the LPD. In addition to the contractual foreign workers who work at the construction sites, the remaining local contractual workers are employed in the contract division and the operation department. The Group sourced for its local contractual workers through third-party employment platforms and referrals, whereas the foreign workers are sourced through a foreign worker agency.

For information purposes, our Group had employed an average of 124 contractual employees for FYE 2021.

For the Financial Years Under Review and up to the LPD, our Group has not experienced any shortage of employees or difficulties in hiring foreign and contractual employees.

None of our employees belong to any trade unions and there has been no industrial dispute since we commenced operations.

6.9 MATERIAL DEPENDENCY CONTRACTS

As at the LPD, we have not entered into any contract, including commercial or financial contracts, which our business or profitability is materially dependent on.

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6.10 TRADEMARK

As at the LPD, our Group has registered the following trademark with the Intellectual Property Corporation of Malaysia:

Trademark	Registered proprietor / Trademark no. / Place of registration	Class / Description	Status / Validity period
VESTLAND	Vestland Resources / TM2021027273 / Malaysia	Class 37 / Advisory services relating to building construction; building and construction services; building construction supervision services relating to shopping centers, industrial complexes, office buildings, residential buildings and other real estate developments; building project management (construction supervision); construction of buildings; construction, repair and maintenance of buildings, and provision of information relating thereto; construction project management (construction supervision); consultancy services relating to the construction of buildings; on-site building project management (construction supervision); real estate development (building and construction services); renovation and maintenance of shopping centres, industrial complexes, office buildings, residential buildings and other real estate developments. Disclaimer: "Vestland"*(1)*	Registered / 1 October 2021 – 1 October 2031

Note:

(1) The registration of the trademark shall give no right to Vestland Resources to the exclusive right of the word "Vestland".

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7. BUSINESS OVERVIEW

7.1 HISTORY AND BACKGROUND OF OUR GROUP

Our Company was incorporated in Malaysia under the CA 2016 on 10 November 2021 as a private limited company under the name of Vestland Sdn Bhd and was subsequently converted to a public limited company on 28 April 2022 and adopted our present name of Vestland Berhad. Our Company is an investment holding company.

We are primarily involved in the construction of residential and non-residential buildings through our wholly-owned subsidiary, Vestland Resources which was incorporated in Malaysia under the Companies Act 1965 on 26 January 2011 as a private limited company. Residential buildings include apartments and landed residential buildings, while non-residential buildings include mixed-use commercial buildings and offices, industrial buildings, service apartments, hostels and hotels. A small proportion of our business is in civil engineering works.

The history of our business can be traced back to the incorporation of Vestland Resources in 2011 where Datuk Liew, our Group Managing Director initially held 25.00% equity interest while the remaining 50.00% and 25.00% equity interest was held by 2 other unrelated shareholders, Chong Kok Loong and Ng Phooi Yoong respectively. Our Executive Director, SK Wong joined the company in 2011 as a Project Director before he was appointed to his current position.

Subsequently, Datuk Liew acquired 50.00% equity interest in 2012 and 21.00% equity interest in 2015, from the 2 unrelated shareholders respectively. In April 2015, Vestland Resources increased its issued and paid-up share capital, which was subscribed by Datuk Liew in entirety, resulting in Datuk Liew holding 98.29% and the remaining 1.71% was held by one other unrelated shareholder. In 2016, Datuk Liew acquired the remaining 1.71% equity interest from the unrelated shareholder whereas SK Wong acquired 15.00% equity interest and Datin Fong Chooi Har, the spouse of Datuk Liew acquired 2.00% equity interest from Datuk Liew. In January 2022, Datin Fong Chooi Har disposed her entire equity interest in Vestland Resources to Datuk Liew.

On 20 April 2022, our Group was formed through the Acquisition where our Company entered into a conditional share sale agreement with the previous shareholders of Vestland Resources to acquire the entire interest in Vestland Resources. The Acquisition was completed on 20 April 2022. As at the date of this Prospectus, the shareholders of our Company are Datuk Liew (85.00%) and SK Wong (15.00%).

The table below sets out the key events and milestones in the history and development of our business:

Year	Key Events and Milestones
2011 - 2015	• Established our wholly-owned subsidiary in 2011, Vestland Resources which commenced operations in the same year. Since 2011, we were registered as a G7 contractor with CIDB which allows us to tender for projects without any limitation in the size or value. • Our first construction contract in 2011 was for the construction of 2 units of landed residential showhouses with a contract value of RM0.45 million in Kuala Langat, Selangor. We were the subcontractor for the project and this project was completed in the same year. In the same year, we also secured our first industrial project for the construction of 5 industrial buildings and related facilities with a contract value of RM4.85 million in Sepang, Selangor. We were the subcontractor for the project and this project was completed in 2012. • We secured our first project in the construction of commercial buildings with a contract value of RM30.05 million in 2011, which includes 3 blocks of offices and shop lots and an underground carpark on a 2.5-acre land in Cameron Highlands, Pahang. We were the subcontractor for the project and this project was completed in 2014.

Year	Key Events and Milestones
	• We obtained our first accreditation of ISO 9001:2008 quality management system for the provision of general building construction and civil engineering works in 2013, which was certified by the Guardian Independent Certification Limited.
2011 - 2015	• In 2017, this certification was renewed and replaced with the ISO 9001:2015 quality management system for the provision of civil building construction and civil engineering works. In 2020, this certificate was renewed and is valid from February 2020 to February 2023. • We secured our first high-rise project for the construction of Pearl Suria Residence, a 25-storey high rise mixed-use development in 2014 which consists of apartments, a basement carpark and commercial area with a contract value of RM91.82 million in Old Klang Road, Kuala Lumpur. This was also our first construction project where we were engaged as a main contractor. This project was completed in 2016. • We secured our first government building project to construct an army camp for the Malaysian Armed Forces in 2014, which consists of accommodation and related facilities with a contract value of RM14.22 million in Cameron Highlands, Pahang. We were engaged as the TPC where we were responsible for the entire construction project up to the completion of construction, with the exception of submission and obtaining necessary approvals and permits. This project was completed in 2017. • We expanded into the construction of a mixed-use commercial building in Cameron Highlands, Pahang in 2015 which includes a commercial centre, serviced suites of 175 rooms and management office, basement carpark and a hotel, Cameron Fair Hotel with a contract value of RM57.88 million. Our scope of work for this project also included interior fit-out works. We were the main contractor for this project and this project was completed in 2017.
2016 - 2020	• We secured the TUDM Army Camp Package 2 Project and TUDM Army Camp Package 3 Projects comprising of government buildings for the Royal Malaysian Air Force in 2016. The TUDM Army Camp Package 2 Project and TUDM Army Camp Package 3 Projects have a contract value of RM83.60 million and RM157.50 million respectively. We were the TPC for these projects and our responsibilities for these projects covered the rectification of existing buildings as well as the construction of related facilities. The above projects were completed in 2019. • We secured the Glenz Mixed Commercial Development Project with a contract value of RM144.00 million in 2019 which include the construction of commercial buildings consisting 416 units of offices, 130 hotel rooms, shop lots, recreational facilities, basement carpark and other related facilities. We were the main contractor for this project and the project was completed in 2022. • We expanded our capabilities to provide design and build construction services where we secured the Residensi Armani Petaling (Cheras) Project with a contract value of RM58.00 million in 2020, an on-going project as at the LPD. We were responsible for the design and construction of 2 blocks of apartments with carparks and related facilities in Cheras, Kuala Lumpur. We were the TPC for this project.

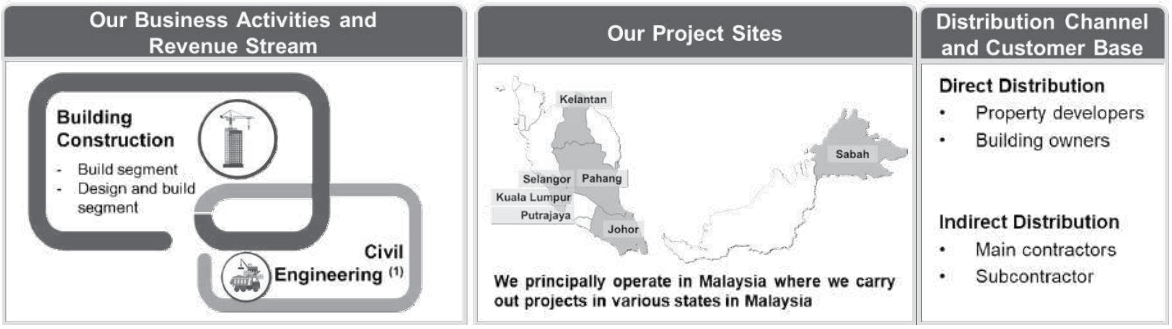
Year	Key Events and Milestones
2021	• We obtained a Certificate of Government Procurement Works (SPKK) from CIDB in 2021 which allowed us to participate in tenders for government projects in the area of building construction, civil engineering as well as mechanical and electrical works. • We secured the Beluran Police Camp Project in 2021, a design and build project for a police camp base for the General Operations Force of Malaysia (PGA). The project consists of accommodation, administration buildings and related facilities in Beluran, Sabah. As at the LPD, the Beluran Police Camp Project is our largest project with a contract value of RM332.82 million. We were the TPC for this project, which is on-going as at the LPD. • We secured our first hostel construction project, KKB Academic Building and Student Accommodation Project with a contract value of RM28.38 million in 2021 for the construction of an academic building and 2 blocks of hostel for a government academy in Kuala Kubu Bahru, Selangor. We were the TPC for this project, which is on-going as at the LPD. • In 2021, we secured 3 projects in civil engineering works, which were our first standalone civil engineering work projects and these were relating to earthworks and rock hacking works with a collective contract value of RM5.91 million in 2021. We were the subcontractors for these projects. These 3 projects commenced in 2021 and were completed in 2022.

Please refer to Sections 7.4.1.3, 7.4.2.2 and 7.4.3.1 of this Prospectus for further details of our completed and on-going projects for the Financial Years and Period Under Review and up to LPD.

7.2 OVERVIEW OF OUR BUSINESS

7.2.1 Our Business Model

Our Group is principally involved in the provision of construction services in various states in Malaysia. For the Financial Years and Period Under Review, our business model is as follows:



Note:

(1) We secured our civil engineering work projects in FYE 2021 and therefore no revenue was recorded for the civil engineering works segment for FYE 2019 and FYE 2020.

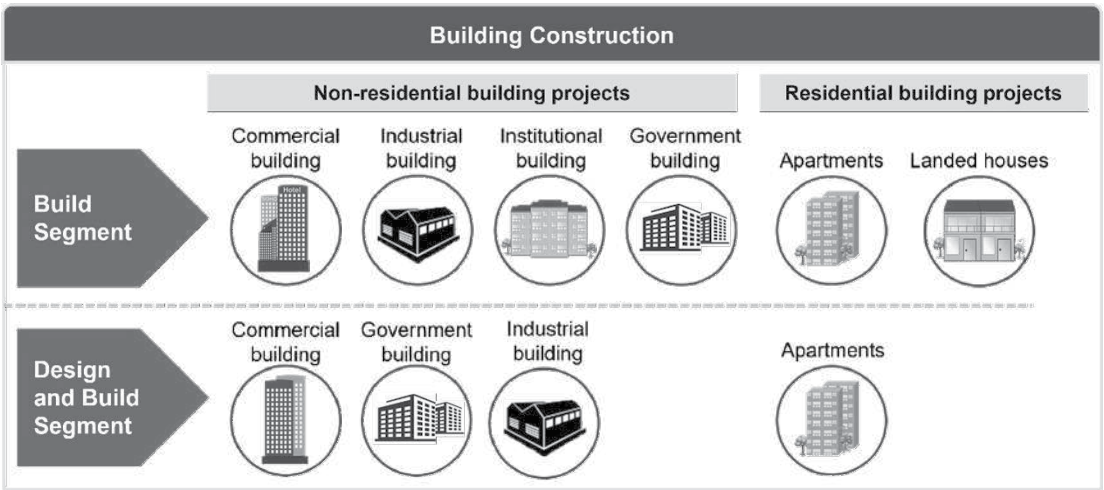
For the FYE 2019, FYE 2020, FYE 2021 and FPE 2022, our main source of revenue was derived from building construction which includes the build segment as well as design and build segment. Within building construction, revenue contribution from the build segment as well as design and build segment collectively accounted for 100.00% (RM98.71 million), 100.00% (RM97.12 million), 98.64% (RM168.75 million) and 98.30% (RM137.53 million) of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively.

A small proportion of our revenue was derived from civil engineering works which accounted for 1.36% (RM2.33 million) and 1.70% (RM2.39 million) of our total revenue for FYE 2021 and FPE 2022. For the FYE 2021, our civil engineering works involved earthworks and rock hacking works. No revenue was recorded for the civil engineering works segment for FYE 2019 and FYE 2020.

7.2.2 Business activities and revenue streams

7.2.2.1 Building construction

The following are the types of completed and on-going building construction projects of our Group:



Within building construction, we are involved in the build segment as well as design and build segment. As a building construction contractor, our business activities are segmented into the following:

(i) Build segment: As a contractor for building construction projects, we are responsible for the overall project including project management and planning, appointment of subcontractors, procurement of labour and materials, and monitoring the stages of construction works to ensure completion of works up to project handover to the customer. For further information on the scope of work undertaken in-house and subcontracted to third parties, please refer to Section 7.4.1.1 of this Prospectus.

Within the build segment, we have completed the construction of both non-residential buildings as well as residential buildings and these are in accordance with the design and technical specifications relating to the structure and foundation of the building that are provided by the customer. Since the commencement of our business, we have completed the construction of non-residential buildings including commercial, industrial, and government buildings while residential buildings include apartments and landed houses. As part of our build projects, we are also involved in other related works including renovation and interior fit-out works. For the Financial Years and Period Under Review, we have carried out renovation and interior fit-out works for an indoor theme park, an entertainment studio, a hotel as well as accommodation for an army camp.

For the Financial Years and Period Under Review and up to the LPD, we have completed 16 build projects with a collective contract value of RM670.03 million. As at the LPD, we have 3 on-going build projects with a collective contract value of RM266.50 million. For further information on the completed and on-going build projects, please refer to Section 7.4.1.3 of this Prospectus.

For the Financial Years and Period Under Review, our revenue contribution from the build segment accounted for 100.00% (RM98.71 million), 93.93% (RM91.22 million), 60.25% (RM103.08 million) and 32.51% (RM45.48 million) for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively.

(ii) Design and build segment: As a design and build contractor, we are responsible for the overall project management as well as planning and coordinating the design aspects of the project covering the technical specifications to meet the building compliance requirements as well as the coordination of the relevant submissions to the authorities. Under the design and build contracts, external architects and relevant professionals such as, amongst others, town planner, land and quantity surveyors, geotechnical consultants and engineers to cover design aspects of the project are appointed either by the customers or directly by our Group to work under our supervision. We do not have any in-house architects or relevant professionals to carry out the design aspects of a project as these are specialists in their relevant fields. It is our intention to engage this expertise as and when required for our design and build projects. For further information on the scope of work undertaken in-house and subcontracted to third parties, please refer to Section 7.4.2 of this Prospectus.

We expanded our scope of work to incorporate design and build construction projects in 2020. As at the LPD, we have 8 on-going design and build projects with a collective contract value of RM883.68 million. For further information on the on-going design and build projects, please refer to Section 7.4.2.2 of this Prospectus.

Revenue contribution from the design and build segment accounted for 6.07% (RM5.90 million), 38.38% (RM65.67 million) and 65.79% (RM92.05 million) for FYE 2020, FYE 2021 and FPE 2022 respectively. No revenue was recorded for FYE 2019 as we only secured design and build projects since FYE 2020.

Under the design and build segment, since our Group is involved in the design and conceptualisation from the inception by providing our input from the construction perspective, it allows us to have better coordination and planning in respect of the construction project, including inter-alia, designing to the allocated budget and better control over construction period. The costs of all aspects of the project are taken into consideration early on in the design phase and we are able to provide input towards potential cost-saving construction measures, use of raw materials and speed of construction.

Arising therefrom, it is evident that the Group's design and build construction projects had garnered higher margins during the Financial Years and Period Under Review, as set out in Section 12.2.5(i) of this Prospectus.

7.2.2.2 Civil engineering works segment

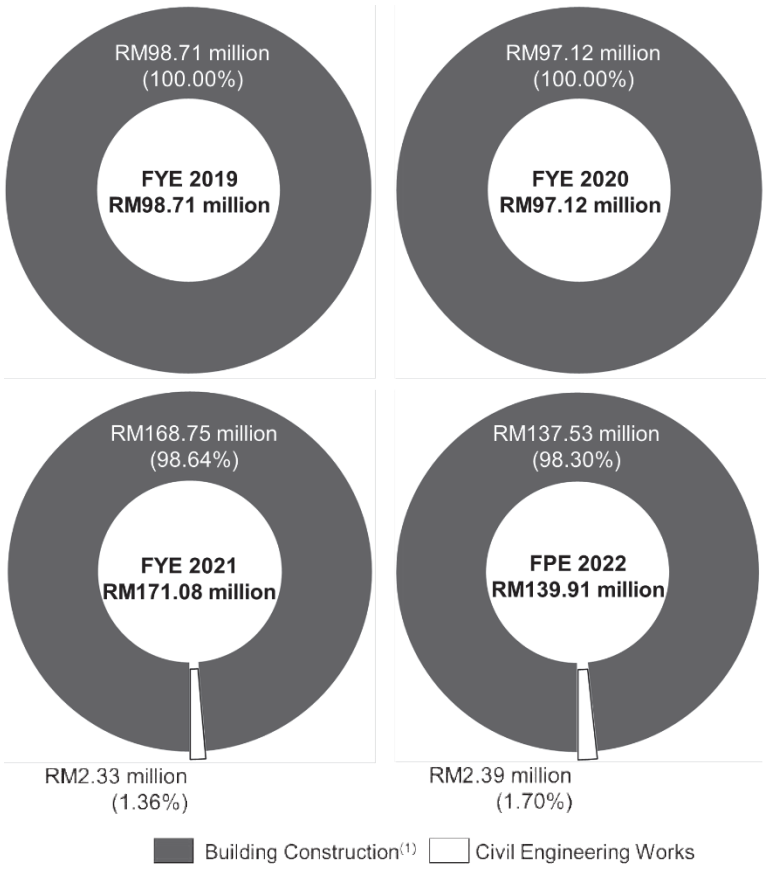
Civil engineering works segment: We also secured 3 projects relating to civil engineering works involving earthworks and rock hacking works each in the FYE 2021 and FPE 2022. For further information on the scope of work undertaken in-house and subcontracted to third parties, please refer to Section 7.4.3 of this Prospectus.

The revenue from this segment accounted for 1.36% (RM2.33 million) and 1.70% (RM2.39 million) of our total revenue for FYE 2021 and FPE 2022 respectively. For the Financial Years and Period Under Review and up to the LPD, we have completed 3 projects in civil engineering works with a collective contract value of RM5.91 million and 3 on-going projects in civil engineering works with a collective contract value of RM75.81 million. For the avoidance of doubt, our Group's civil engineering works projects were secured on a stand-alone basis and do not form part of our Group's building construction projects.

For further information on our completed and on-going projects in civil engineering works, please refer to Section 7.4.3.1 of this Prospectus.

7.2.2.3 Our revenue segmentation

Our revenue segmentation by business activities for the Financial Years and Period Under Review are set out below:



Note:

(1) Revenue from building construction include renovation works and interior fit-out works.

As at the LPD, we have 14 on-going construction projects, wherein 11 are building construction projects and 3 are civil engineering works projects, with a total outstanding order book of RM947.43 million and the details are set out below:

By segment	Contract Value RM'000	Outstanding order book as at the LPD RM'000
Design and build segment	**883,678**	**653,617**
Non-residential projects	555,318	417,186
- *Beluran Police Camp Project*	*332,818*	*241,302*
- *Raja Uda Project*	*80,000*	*79,985*
- *Armani Subang SOHO Project*	*43,000*	*1,477*
- *Tanah Rata Cameron Project*	*40,000*	*38,339*
- *KKIP Warehouse Project*	*59,500*	*56,083*
Residential projects	328,360	236,431
- *Residensi Armani Petaling (Cheras) Project*	*58,000*	*981*
- *Residensi Armani Bukit Lanjan Project*	*35,500*	*590*
- *Selangor Cyber Valley (Phase 1) Project*	*234,860*	*234,860*
Build segment	**266,497**	**219,544**
Non-residential projects	266,497	219,544
- *D'vine Residences Project*	*216,617*	*196,099*
- *KKB Academic Building and Student Accommodation Project*	*28,380*	*18,907*
- *Permas City Project*	*21,500*	*4,538*
Civil engineering works segment	**75,818**	**74,273**
- *Plot 10*	*56,000*	*54,728*
- *Habu Cameron Infrastructure Project*	*14,500*	*14,235*
- *Plot 9D*	*5,318*	*5,310*
Total	**1,225,993**	**947,434**

For further information on our Group's order book, please refer to Section 12.7 of this Prospectus.

Our business segmentation by sectors for the Financial Years and Period Under Review are set out below:

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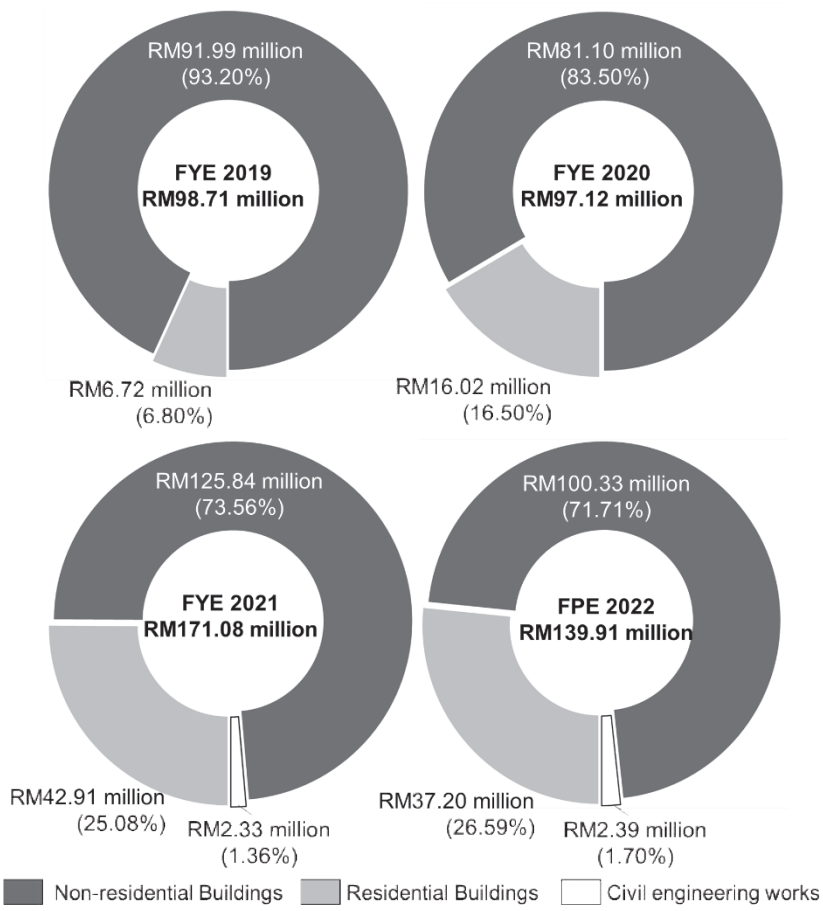

For the Financial Years and Period Under Review, our revenue was mainly derived from the construction of non-residential buildings followed by the construction of residential buildings. A small proportion of our revenue for the FYE 2021 and FPE 2022 was from civil engineering works.

For the Financial Years and Period Under Review, our revenue derived from private building projects and government building projects are set out below:

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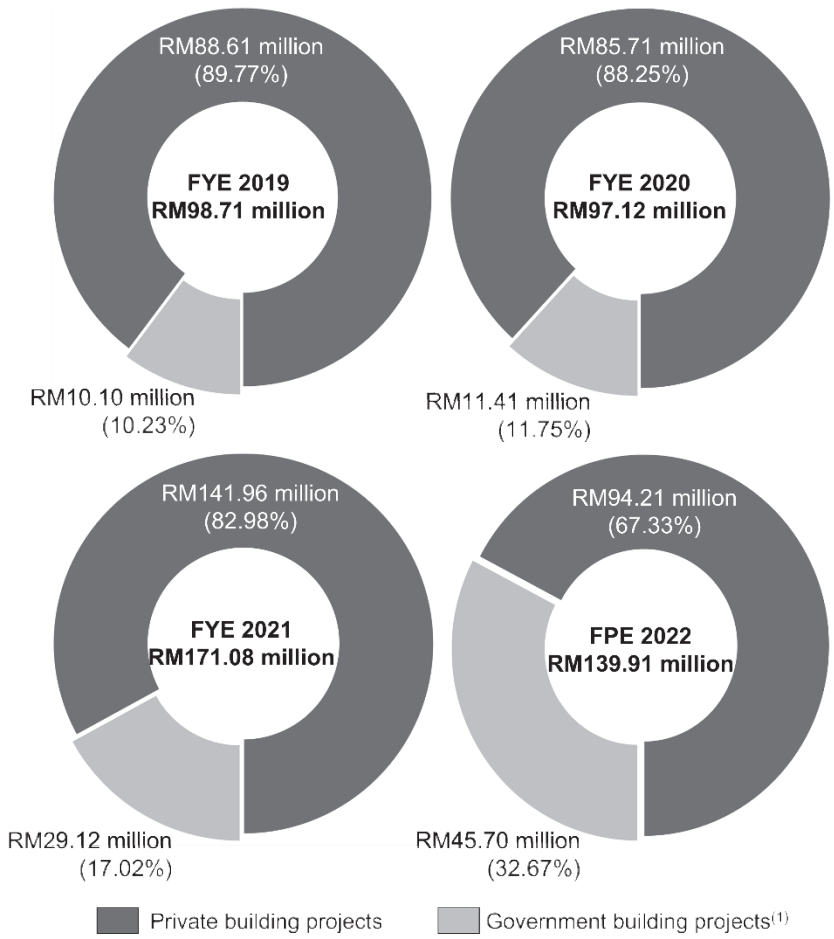

Note:

(1) Government building projects include Beluran Police Camp Project, KKB Academic Building and Student Accommodation Project and Malaysian Armed Forces (Package 3) Project which were secured from main contractors.

For the Financial Years and Period Under Review, our revenue was mainly derived from the construction of private building projects. For further information on our capabilities in the construction of private buildings and government buildings, please refer to Section 7.3.2 of this Prospectus.

7.2.3 Principal market and our project sites

We principally operate in Malaysia where we carry out projects in various states in Malaysia. Our revenue was mainly derived from projects located in Klang Valley including Selangor, Kuala Lumpur and Putrajaya, which collectively accounted for 89.21% (RM88.05 million), 94.75% (RM92.03 million), 87.44% (RM149.59 million) and 64.84% (RM90.71 million) of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively.

Other states including Kelantan, Pahang, Johor and Sabah collectively accounted for the remaining 10.79% (RM10.66 million), 5.25% (RM5.10 million), 12.56% (RM21.49 million) and 35.16% (RM49.20 million) of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively. We only started to record revenue from Sabah in FYE 2021, which accounted for 7.74% (RM13.25 million) and 29.22% (RM40.89 million) of our total revenue for the FYE 2021 and FPE 2022 respectively.

7.2.4 Distribution channels and customers

We utilise both direct and indirect distribution channels:

- Direct distribution channel involves securing contracts directly from property developers or building owners where we are the main contractor. As the main contractor, we are responsible for the overall project including project management and planning including submission and obtaining necessary approvals and permits, appointment of subcontractors, procurement of labour and materials, and monitoring stages of construction works to ensure completion of works and up to the project handover to the customer.

- Indirect distribution channel is where we mainly secure contracts from other main contractors as a TPC or as a subcontractor. Under the indirect distribution channel, we may also secure projects from other subcontractors. As a TPC, we secure contracts from the main contractor where we are responsible for the entire construction project up to the completion of construction, with the exception of submission and obtaining necessary approvals and permits. In situations where we are engaged as a subcontractor, we are only responsible for certain portions of the construction works as stipulated in the contract.

- For the Financial Years and Period Under Review, 86.85% (RM85.72 million), 81.31% (RM78.97 million), 40.85% (RM69.89 million) and 11.50% (RM16.09 million) of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively were secured through direct distribution channel from property developers and building owners.

Our revenue segmentation by distribution channels for the Financial Years and Period Under Review are set out below:

	FYE 2019		**FYE 2020**		**FYE 2021**		**FPE 2022**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Direct distribution channel	85,722	86.85	78,967	81.31	69,889	40.85	16,093	11.50
- *Property developers*	*82,407*	*83.49*	*77,587*	*79.89*	*68,932*	*40.29*	*15,682*	*11.21*
- *Building owners*	*3,315*	*3.36*	*1,380*	*1.42*	*957*	*0.56*	*411*	*0.29*
Indirect distribution channel	12,985	13.15	18,157	18.69	101,192	59.15	123,821	88.50
- *Main contractors*	*11,965*	*12.12*	*18,157*	*18.69*	*101,192*	*59.15*	*123,821*	*88.50*
- *Subcontractor*	*1,020*	*1.03*	-	-	-	-	-	-
Total revenue	**98,707**	**100.00**	**97,124**	**100.00**	**171,081**	**100.00**	**139,914**	**100.00**

During the Financial Years Under Review, our Group had managed to secure several large construction contracts from main contractors. As such, during this period, our Group had focused its resources in executing such construction contracts secured from the main contractors which had led to higher revenue contribution from the indirect distribution channel as compared to the direct distribution channel. The spike in revenue from the indirect distribution channel in FYE 2021 and FPE 2022 was primarily due to the higher percentage of work undertaken for several projects which were secured in the second half of FYE 2020 and FYE 2021, namely Armani Subang SOHO Project, Residensi Armani Petaling (Cheras) Project, CPL Aromas Pulau Indah Project and Beluran Police Camp Project, all of which were secured by our Group from main contractors. For further information on our Group's revenue, please refer to Section 12.2.3 of this Prospectus.

As at the LPD, we have a total outstanding order book of RM947.43 million, of which 67.79% (RM642.25 million) are from the indirect distribution channel and 32.21% (RM305.18 million) are from the direct distribution channel. Accordingly, our revenue in the foreseeable future will be mainly contributed from the indirect distribution channel. In view that our GP margin for the FPE 2022 was comparable to the GP margin garnered during the Financial Years Under Review despite 88.50% of our revenue for the FPE 2022 was contributed from the indirect distribution channel, we do not foresee such trend to have any adverse impact to our profit margin in the future.

7.2.5 Mode of operation

- **Securing contracts/projects**

  We typically secure construction contracts through tenders. We participate in tenders mainly through direct invitation from the prospective customers including property developers or building owners, main contractors and subcontractors as well as through referrals from project consultants such as engineers, architects and quantity surveyors.

- **Retention sum and performance bond**

  Typically, a retention sum equivalent to 5% of the total contract sum will be retained by the customer. Depending on the terms of the contract, the retention sum will usually be released in 2 portions where the first portion will be released upon issuance of the CPC, while the second portion will be released upon the issuance of a CMGD or upon the expiration of the DLP.

  Some of the construction projects that our Group is involved in would require our Group to submit performance bonds in the form of an approved bank guarantee or a cash deposit (in-lieu of a performance bond) to be provided to the awarding party, as security for proper and due performance of works as set out in the construction contracts. Depending on the terms of the contract, such sum usually amounts up to 5% of the contract sum. The validity of the performance bond is typically valid until the issuance of CPC, CMGD or expiry of DLP or up to between 3 to 6 months after the issuance of CPC.

- **Project contract period obligation**

  Our main obligation is to complete the project on time, based on the contract period which are stipulated in the contract. In the event of any delays in the completion of the project, we are subject to the LAD claim by the customer as stipulated in the contract of our on-going projects. Each LAD claim differs between each contract as it is usually calculated based on the expected loss to the customer arising from the delay in completion of the project. Our present construction contracts do not stipulate any maximum amount of claimable LAD.

Under the normal operating conditions, we will seek for an EOT from the customer if the project encounters any unforeseen circumstances that may affect the completion date, which is subject to approval that is granted by the customer.

- **Progressive claims**

  During the construction stages, we submit progressive claims to customers based on the proportion of works that we have completed. The approval of the progressive claims is subject to the architect's certification which allows us to invoice the customer.

- **Variation order(s)**

  In the course of the project execution, the project's architects may instruct variation orders which are variation to part of the works that is necessary for the completion of the project. Variation orders may include additions, omissions, substitutions, alterations and changes of work scope.

  A variation order will usually be notified to us in writing from the architect describing the detailed variation works and/or enclosing the revised drawings. We will submit the cost and time of the variation work to the architect for their approval.

  The principal terms and settlement of the variation orders are generally the same as those specified in the main contract.

- **Post construction commitment**

  We are still responsible for the rectification of defects during the DLP, which ranges from 12 months up to 30 months from the date of practical completion, depending on the contractual agreement.

  The rectification works will be carried out by us with the respective subcontractors including nominated subcontractors who are under our supervision, control and management. If there is a defect liability claim that is attributable to the works carried out by subcontractors, we usually seek the assistance of the respective subcontractors to perform the repair and rectification works and the cost of these said works will be borne by the subcontractors.

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7.3 OUR COMPETITIVE STRENGTHS

7.3.1 We have an established track record of 11 years as a building contractor in construction works

We have an established track record of 11 years as a building contractor in the construction industry since the commencement of our business in 2011. For the Financial Years and Period Under Review and up to the LPD, we have completed 16 build projects with a collective contract value of RM670.03 million. As at the LPD, we have 3 on-going build projects, 8 on-going design and build projects as well as 3 on-going projects in civil engineering works. For further information on our completed and on-going projects, please refer to Sections 7.4.1.3, 7.4.2.2 and 7.4.3.1 of this Prospectus.

As a main contractor or TPC, we are responsible for the full scope of the building construction works where we are responsible for the overall project including project management and planning, appointment of subcontractors, procurement of labour and materials, and monitoring stages of construction works to ensure completion of works and up to the project handover to the customer. For projects where we are engaged as a main contractor, our scope of work also cover submission and obtaining necessary approvals and permits. We are a Grade 7 contractor status which permits us to bid or tender for projects without any limitation in the size or value. To maintain our G7 contractor status, some of the requirements include among others, possess technical personnel with relevant qualifications and personnel with a minimum 5 years' experience. Our ability in maintaining the G7 contractor status with CIDB demonstrates our capabilities in providing construction services and it serves as a reference for us to participate in the tenders for new projects. In addition, we possess a Certificate of Government Procurement Works (SPKK) license from CIDB. For the Financial Years and Period Under Review and up to the LPD, all our government building projects were secured from main contractors where SPKK license is not a mandatory requirement for tendering. Moving forward, our SPKK license will allow us to participate in tenders directly with the government in the area of building construction, civil engineering as well as mechanical and electrical works if and when the opportunity arises.

As a building contractor, we place significant emphasis on providing quality workmanship in our construction projects and our commitment to quality is further demonstrated by our accreditation with the ISO 9001:2008 quality management system in 2013, which was subsequently renewed and replaced with ISO 9001:2015 for the provision of civil building construction and civil engineering works. In addition, we achieved a Quality Assessment System in Construction ("**QLASSIC**") score of 77%[(1)] for 2 of our construction projects from CIDB in 2016 and 2020 respectively. QLASSIC is a system introduced by CIDB to measure and evaluate the quality of workmanship of building construction work based on the Construction Industry Standard from CIDB. The application for the QLASSIC assessment is based on the requirement by the customers.

Our established track record provides an important reference site to our existing and prospective customers and more importantly, it provides our customers with the assurance of our commitment to providing quality workmanship in our construction projects.

Note:

(1) According to the CIDB, the overall average QLASSIC score was 73% and 72% in 2016 and 2020 respectively.

7.3.2 We have the experience and capabilities in the construction of a diverse range of residential and non-residential buildings for private and public sectors

Since the commencement of our business in 2011, we have carried out a diverse portfolio of residential and non-residential buildings in the private sector including completed and on-going projects:

- residential buildings including landed and high-rise;
- commercial buildings including mixed-use commercial complex, serviced apartments, hotels and others;
- institutional buildings namely a community centre for the disabled; and
- industrial buildings including factories.

Our construction capabilities also enabled us to address opportunities in the public sector including completed and on-going projects since our foray into this sector in 2014:

- accommodation and related facilities for an army camp for the Malaysian Armed Forces in Cameron Highlands;
- 2 contracts relating to the rectification of existing buildings as well as the construction of related facilities for the Royal Malaysian Air Force in Subang, Selangor;
- academic building and student accommodation for a government academy in Kuala Kubu Baru, Selangor;
- accommodation, administration buildings and related facilities for a police camp for the General Operations Force of Malaysia (PGA) in Beluran, Sabah; and
- apartments and related facilities under the state government's affordable housing scheme in Cyberjaya, Selangor.

For the Financial Years and Period Under Review and up to the LPD, our secured building construction projects for both private and public sectors by type of buildings are as follows:

Type of Building	Commercial	Government [(2)]	Residential	Industrial	Others [(3)]	Total
Total contract value (RM '000) [(1)]	545,117	603,908	118,351	96,317	4,192	1,367,885

Notes:

(1) Based on the letter of award including variation orders, work orders or purchase orders for the FYE 2019, FYE 2020, FYE 2021, FPE 2022 and up to the LPD.

(2) Government building projects include Beluran Police Camp Project, KKB Academic Building and Student Accommodation Project, Malaysian Armed Forces (Package 3) Project and Selangor Cyber Valley (Phase 1) Project which were secured from main contractors.

(3) Others include projects which we carried out renovation and interior fit-out works namely the Entertainment Studio Project and Themepark Project.

For further information relating to our list of completed and on-going building construction projects, please refer to Sections 7.4.1.3 and 7.4.2.2 of this Prospectus.

Our diverse project portfolio provides us with the experience, track record and the platform to bid for the construction of various types of buildings in both private and public sectors.

7.3.3 We have construction projects across the different states in Malaysia

Although our revenue for the Financial Years and Period Under Review was mainly derived from building construction projects located in Klang Valley including Selangor and Kuala Lumpur, we also cover construction projects in other states within Malaysia. This provides us with some form of diversity in addressing opportunities for prospective customers in other states within Malaysia. For the FYE 2019, FYE 2020, FYE 2021 and FPE 2022, construction projects located in Klang Valley accounted for 89.21% (RM88.05 million), 94.75% (RM92.03 million), 87.44% (RM149.59 million) and 64.84% (RM90.71 million) of our total revenue respectively.

Other states including Kelantan, Pahang, Johor and Sabah collectively accounted for the remaining 10.79% (RM10.66 million), 5.25% (RM5.10 million), 12.56% (RM21.49 million) and 35.16% (RM49.20 million) of our total revenue for the FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively. We only started to record revenue from Sabah in FYE 2021, which accounted for 7.74% (RM13.25 million) and 29.22% (RM40.89 million) of our total revenue for FYE 2021 and FPE 2022 respectively. By having projects in different states, we are able to diversify potential geographical risk and will not be particularly affected if there is a slowdown of construction activities in any particular state. In addition, our Group will have better flexibility to bid for more jobs as it has established a track record in different states which would serve as an important reference site with potential customers in addressing future opportunities.

As at the LPD, our outstanding order book by states in Malaysia are set out as below:

State	Selangor	Sabah	Kuala Lumpur	Pahang	Johor	Total
Outstanding order book (RM '000)	511,382	297,385	81,556	52,573	4,538	947,434

7.3.4 We expanded our capabilities to incorporate design and build construction projects

Since 2020, we expanded our construction capabilities to "design and build" construction projects where we are responsible for the overall project management as well as early involvement in the planning and coordination of the design aspects of the project covering the technical specifications. Our design works enable us to streamline our processes and provide a total solution with a single point of contact to our customers. In addition, design and build projects enable us to facilitate the planning of the project in terms of the timeline, design and specifications to enhance the efficiency for the allocation of resources including the use of building materials and IBS systems. Our design and build experience will provide our Group with the platform and reference site to bid for other new projects that requires the design aspect. In this respect, we secured the Residensi Armani Petaling (Cheras) Project, Armani Subang SOHO Project and Residensi Armani Bukit Lanjan Project in 2020 and managed to extend our design and build expertise into 1 new project in 2021, which is a government building project, the Beluran Police Camp Project with a contract value of RM332.82 million. Subsequently in 2022, we have secured another 2 commercial building projects, namely the Raja Uda Project and Tanah Rata Cameron Project, 1 residential building project, namely Selangor Cyber Valley (Phase 1) Project as well as 1 industrial building project, namely KKIP Warehouse Project.

As at LPD, we have 8 on-going design and build projects for the following residential and non-residential buildings including Residensi Armani Petaling (Cheras) Project, Residensi Armani Bukit Lanjan Project, Armani Subang SOHO Project, Beluran Police Camp Project, Raja Uda Project, Tanah Rata Cameron Project and Selangor Cyber Valley (Phase 1) Project and KKIP Warehouse Project. For further information relating to our on-going design and build projects, please refer to Section 7.4.2.2 of the Prospectus. Upon the completion of the above design and build construction projects, they will serve as an important reference site for our capabilities in carrying out future projects of this nature.

7.3.5 We have on-going projects to sustain us in the near or near-mid term

As at the LPD, we have 14 on-going projects with a total outstanding order book value of approximately RM947.43 million including the following:

- RM653.62 million from 8 on-going design and build projects including the Residensi Armani Petaling (Cheras) Project, Residensi Armani Bukit Lanjan Project, Beluran Police Camp Project, Raja Uda Project, Tanah Rata Cameron Project, Armani Subang SOHO Project, Selangor Cyber Valley (Phase 1) Project and KKIP Warehouse Project;
- RM219.54 million from 3 on-going build projects including D'vine Residence Project, KKB Academic Building and Student Accommodation Project and Permas City Project; and
- RM74.27 million from 3 on-going projects in civil engineering works including Plot 10, Habu Cameron Infrastructure Project and Plot 9D.

Our order book is project based and typically non-recurring. The outstanding order book is expected to be recognised progressively over the next 4 financial years as follows:

Financial year/period	Outstanding Order Book (RM million)
Subsequent to the LPD up to 31 December 2022	46.94
FYE 2023	396.74
FYE 2024	366.49
FYE 2025	122.20
FYE 2026	15.06
Total	**947.43**

The contract value of the projects won and secured by us during the respective Financial Years and Period Under Review and up to LPD are as follows:

Financial year/period	Contract value (RM'million)
FYE 2019	170.94
FYE 2020	138.60
FYE 2021	628.39
FPE 2022	452.17
From 1 July 2022 up to the LPD	59.50

As at the LPD, we have also participated in 11 tenders and/or submitted proposals for various building construction projects for an estimated aggregate value of RM2,074.51 million. For information purposes, the aforementioned tenders and/or submitted proposals are not inclusive of the Selangor Cyber Valley Phase II Project and the Sierra Alam Project which have an aggregate contract value of RM315.83 million as these projects are pending fulfilment of the relevant conditions precedent. Please refer to Section 7.18.1(i) of this Prospectus for further details of the Selangor Cyber Valley Phase II Project and the Sierra Alam Project. These projects, if awarded, will replenish and enlarge our order book.

7.3.6 We have an experienced management team

We have a team of experienced management personnel headed by our Group Managing Director, Datuk Liew, and our Executive Director, SK Wong. Datuk Liew has contributed significantly to the overall growth and strategic direction of our Group supported by approximately 20 years of experience in the construction industry. He is also supported by our Executive Director, SK Wong who brings with him approximately 22 years of experience in the construction industry. He has contributed in the management and operations of our Group as well as overseeing the overall operations of our construction projects. The profiles of Datuk Liew and SK Wong are set out in Section 5.1.2 of this Prospectus.

Our Directors are supported by our Key Senior Management team who, depending on their roles in the Company brings with them their relevant tertiary education qualifications and relevant experience in their respective fields ranging from finance matters, project tendering, project management and implementation, contract matters, procurement and human resource management. The profiles of our Key Senior Management are set out in Section 5.4.2 of this Prospectus.

We believe our experienced Directors and management team will help to sustain our business operations and provide the platform for future growth.

7.4 PRODUCTS AND SERVICES

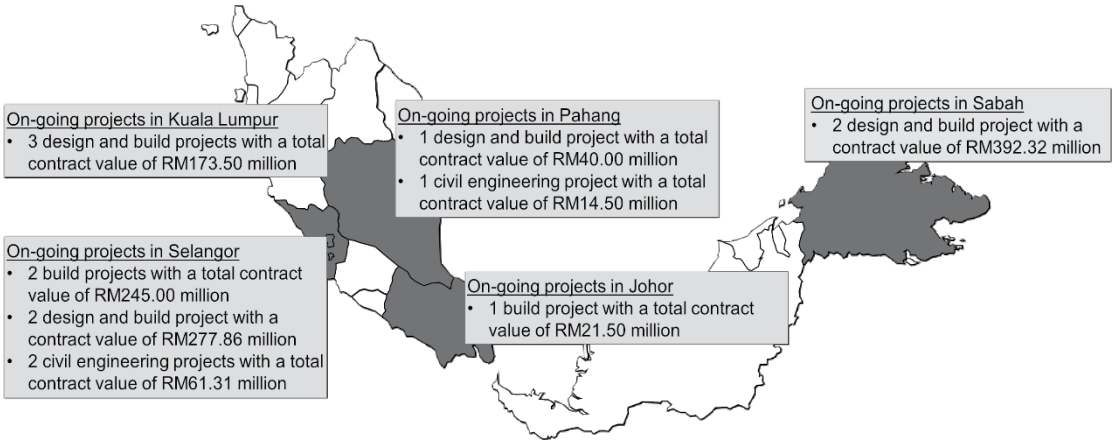
Our construction business can be broadly categorised into the following:

(i) Building construction

- build projects where we are responsible for the construction works based on designs provided by the customer; and
- design and build projects where we are responsible for the design including the technical specifications as well as the construction works.

(ii) Civil engineering works including, among others, slope stabilisation, earthworks, rock hacking works.

As at the LPD, our on-going construction projects are as follows:



7.4.1 Build segment

7.4.1.1 Overview

We undertake build projects based on the designs provided by the customer. Our scope of work involves the following:

(a) Project management

Project management is a continuous process throughout the contract period where our project team will supervise and manage the entire building construction process from the initial planning, project implementation and up to the completion and handover of the project. As the project manager, we liaise with all the parties including the authorities, engineers, suppliers, consultants and subcontractors that are involved in the build project and report directly to the customer.

Our role as a project manager includes the following:

- ensuring the delivery of the project adhere to the planned timeline and budget;
- ensuring the construction works are completed in accordance with the design and specifications;
- ensuring all the relevant licences and permits required for the construction activity are obtained from the respective authorities;
- ensuring workers' health and safety;
- ensuring security and protection of machinery, equipment and other assets;
- managing and mitigating unforeseen circumstances, conditions and events; and
- minimising the adverse impact of construction works on the environment as well as neighbouring properties and occupants.

(b) Project planning

Project planning mainly focuses on the timeline as well as the procurement aspects of the project to ensure that the project is completed based on the agreed timeline and budget. Our project team will source for all the required resources including the procurement of materials, rental of machinery and equipment, sourcing of labour and appointment of subcontractors. We will also prepare a timeline of the project which indicates the commencement and completion date of each stage of the construction activity.

(c) Construction

Our scope of work under the construction stage covers the physical construction works which will be carried out by our in-house personnel or by the appointed subcontractors under our management and supervision. The construction phase can be broadly categorised as follows:

(i) Earthworks and site preparation

Site preparation covers the setting-up of temporary facilities such as the staging area, storage area, site office, workers accommodation and basic amenities at the project site to facilitate efficient and effective workflow. Earthworks mainly include excavation and backfilling, as well as levelling and compacting the earth. We either engage subcontractors for site preparation and earthworks to prepare the site suitable for construction under our supervision or it will be carried out by our in-house personnel.

In some situations, it also involves external works such as the construction of access road, pavements, walkways and landscaping, this is where we will engage subcontractors to carry out the external works under our management and supervision.

(ii) Foundation works

Foundation works involve the preparation of the project site for construction of buildings, structures and infrastructure. Foundation works include piling works and retaining wall which take into consideration factors such as the load of the buildings, structures and infrastructure to be constructed on the site as well as the characteristics of the earth where we will engage third party professionals such as civil and structural engineers and geotechnical consultants to carry out the evaluation prior to the commencement of foundation works.

Depending on the project, foundation works may be under our scope of work where we will engage subcontractors to carry out the works under our management and supervision.

(ii) Substructure and superstructure construction

Substructure construction comprises structures that are below the ground level. Generally, substructure construction covers basement construction. Substructure construction works are carried out by our in-house personnel. We also engage subcontractors to carry out certain portions of the structural works such as concreting, bar bending and carpentry works under our management and supervision.

Superstructure construction comprises all structures that are above ground level. Some of the superstructure construction works include:

- construction of the main buildings which involve physical works such as erecting columns, beams, walls, floor, roof and façade;

- construction of ancillary facilities and amenities such as swimming pool, playground, fitness centre, barbeque pit, entertainment area, guard houses, clubhouses, community centres, power substation and refuse chamber;

- installation of doors, windows, grills, gates and fencing; and

- finishing works including waterproofing, flooring, tiling, cladding, painting and coating.

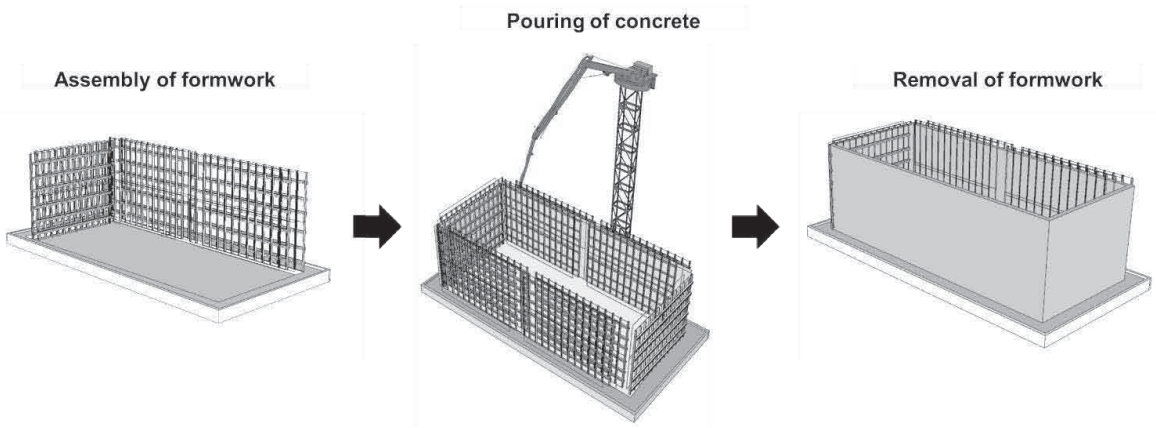
We mainly utilise 4 types of industrialised building system (IBS) namely aluminium formwork, steel formwork, timber formwork and precast concrete components for our superstructure construction works.

- Aluminium formwork system uses temporary aluminium structures to perform cast in situ (on site casting) which allows the formation of complete structure with consistent dimensions and quality finishing as well as having better control of project scheduling. The building structures that can be formed using aluminium formwork system include slabs, beams, columns and walls.

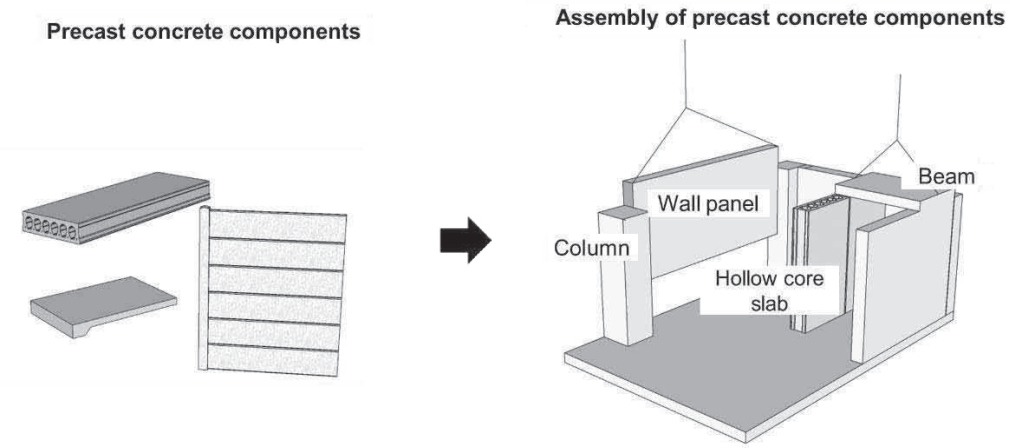
  The formworks made of aluminium materials can be easily assembled on the project site to serve as moulds for concrete to be poured in. The formworks will be subsequently removed once the concrete is set and developed the required strength.

- Steel formwork system is similar to aluminium formwork except that steel is used as a temporary structure to perform cast in situ. Steel formwork system is mainly used for the formation of reinforced concrete walls.

- Timber formwork is similar to aluminium formwork except that timber is used as a temporary structure. We utilise timber formwork mainly for the construction of landed buildings.



- Precast concrete components are concrete components such as floor slabs, beams, columns and walls panels that are prefabricated prior to the delivery to the project site.



The construction of superstructures is carried out by our in-house personnel. We also engage subcontractors to carry out certain portions of the structural works such as concreting, bar bending and carpentry works under our management and supervision. As for specialised works such as painting and tiling, these tasks are also carried out by subcontractors under our management and supervision.

(iii) Utility and systems fitting

Utility fittings cover the power supply system, communication system, plumbing system for water supply and drainage, sewerage system, fire protection system and security system.

The mechanical and electrical works including specialised works such as fire protection system and security systems will be carried out by subcontractors under our management and supervision.

(d) Completion and handover

Final inspection and rectification will be carried out before the project is officially handed over to the customer. We will conduct the inspection together with the respective subcontractors, architects, engineers and the customer to ensure that the works completed complies with the design and specifications. Any defects identified during the inspection will be rectified by the responsible parties and we will proceed to prepare the as-built drawings for the customer. The project is deemed completed based on the issuance of Certificate of Practical Completion (CPC).

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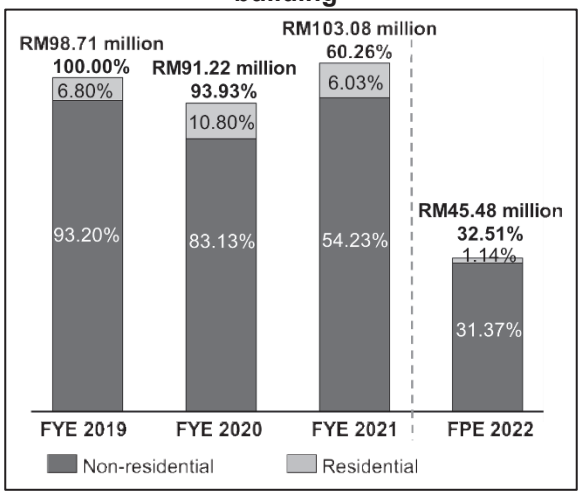
7.4.1.2 Types of build projects

We carry out build projects for residential and non-residential buildings.

For the Financial Years and Period Under Review, our revenue derived from the build projects of residential buildings accounted for 6.80% (RM6.72 million), 10.80% (RM10.48 million), 6.03% (RM10.32 million) and 1.14% (RM1.59 million) of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively.

Revenue of build projects by type of building



Note: Percentages are in proportion to total Group revenue.

For the Financial Years and Period Under Review, our revenue derived from the build projects of non-residential buildings accounted for 93.20% (RM91.99 million), 83.13% (RM80.74 million), 54.23% (RM92.76 million) and 31.37% (RM43.89 million) of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively.

(a) Residential buildings

For the Financial Years and Period Under Review, our build projects for the construction of residential buildings are mainly for the following types of landed properties:

The following are some of the residential build projects that we have undertaken:

- **Terrace houses**

Kalista Park Homes Project

- **Semi-detached and bungalows**

Semi-D and Bungalow Houses (Pujaan) Project

- **Affordable houses**

PPA1M Houses Project

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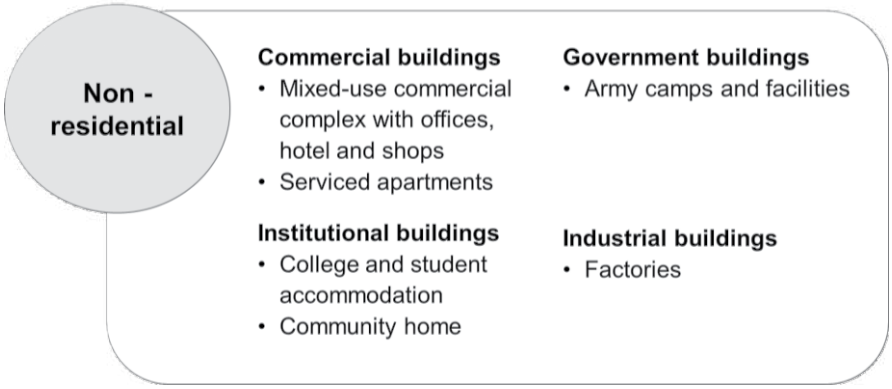
(b) Non-residential buildings

For the Financial Years and Period Under Review, our build projects of non-residential buildings are mainly for the following:



The following are some of the non-residential build projects that we have undertaken:

- **Commercial buildings**

Glenz Mixed Commercial Development Project

- **Industrial buildings**

CPL Aromas Pulau Indah Project

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7.4.1.3 Our build projects

(a) Completed build projects

For the Financial Years and Period Under Review and up to the LPD, our completed build projects are as follows:

Project Name	Description	Project Location	Customer Name	Our role	Start Date[1] / Completion Date[2]	Contract Value (RM million)
Residential						
Kalista Park Homes Project	Construction of 3-storey terrace houses and semi-detached houses	Shah Alam, Selangor	Crystal Hallmark Sdn Bhd	Main contractor	June 2017 / March 2019	31.31[3]
PPA1M Houses Project	Construction of affordable double storey houses, religious building and related facilities under PPA1M	Pasir Mas, Kelantan	Cherane Lalie Sdn Bhd	Main contractor	April 2019 / March 2022	16.00[3]
Semi-D and Bungalow Houses (Pujaan) Project	Construction of semi-detached houses and a bungalow house and related facilities	Kuala Langat, Selangor	Pujaan Harmoni Sdn Bhd	Main contractor	August 2019 / October 2021	8.78[3]
Sg. Long Show Unit Project	Construction of a show unit	Cheras, Selangor	Grand Golden Development Sdn Bhd	Main contractor	February 2019 / April 2019	0.08
Non-residential						
TUDM Army Camp Package 3 Project	Rectification and completion of the remaining works for the construction, fit-out and commissioning of facilities and infrastructure	Subang, Selangor	Perbadanan Perwira Harta Malaysia	TPC	August 2016 / August 2019	157.50
Glenz Mixed Commercial Development Project	Construction of commercial centre comprising of hotel, offices, shop lots and related facilities	Shah Alam, Selangor	Sg. Besi Construction Sdn Bhd	Main contractor	February 2019 / March 2022	144.00
TUDM Army Camp Package 2 Project	Rectification and completion of the remaining works for the construction, fit-out and commissioning of facilities and infrastructure	Subang, Selangor	Perbadanan Perwira Harta Malaysia[4]	TPC	May 2016 / August 2019	83.60

7. BUSINESS OVERVIEW *(cont'd)*

Project Name	Description	Project Location	Customer Name	Our role	Start Date[1] / Completion Date[2]	Contract Value (RM million)
Three33 Residence Project	Construction of serviced apartments and related facilities	Kuala Lumpur	TSI Domain Sdn Bhd	Main contractor	February 2018 / September 2020	70.01[3]
BSP21 Condominium Project	Construction of serviced apartments and related facilities	Kuala Langat, Selangor	MITC Engineering Sdn Bhd	Subcontractor	December 2016 / March 2019	60.85[3]
Zenopy Residences Project	Construction of shop units and carparks	Seri Kembangan, Selangor	MITC Engineering Sdn Bhd	Subcontractor	March 2016 / January 2019	47.44[3]
CPL Aromas Pulau Indah Project	Construction of a detached industrial building and related facilities	Klang, Selangor	Sg. Besi Construction Sdn Bhd	TPC	April 2021 / August 2022	36.82
Malaysian Armed Forces (Package 3) Project	Fit-out works and supply of loose furniture	Kuala Lumpur	Perbadanan Perwira Harta Malaysia	Subcontractor	June 2021 / October 2021	7.85
Putrajaya Hotel Project	Demolition, renovation and fit-out works	Putrajaya	VA Majestic Sdn Bhd	Main contractor	December 2018 / May 2019	1.22[3]
Themepark Project	Interior fit-out works	Petaling Jaya, Selangor	Next Gen Themepak (1U) Sdn Bhd	Main contractor	November 2020 / March 2022	2.10
Entertainment Studio Project	Renovation and fit-out works	Kuala Lumpur	Crave Alive Sdn Bhd	Main contractor	April 2019 / June 2019	2.09[3]
Habu Project	Construction of workers' quarters	Cameron Highlands, Pahang	Menjal Builders Sdn bhd	Subcontractor	November 2018 / June 2019	0.38

Notes:

(1) Start date is based on the date of letter of award of the respective projects with the exception of Habu Project and Sg. Long Show Unit Project which are based on work order or purchase order.

(2) Completion date is based on the CPC for the respective projects with the exception of Entertainment Studio Project, Habu Project and Sg. Long Show Unit Project which were based on mutual agreement with the customer.

(3) Total contract value includes additional or variation order.

(4) The project was awarded by Pembinaan Perwira Harta Sdn Bhd which was a subsidiary of Perbadanan Perwira Harta Malaysia.

(b) On-going build projects

As at the LPD, our on-going build projects are as follows:

Project Name	Description	Project Location	Customer Name	Our Role	Start Date[1] / Expected Completion Date[2]	Approximate Percentage of Completion as at LPD (%)	Contract Value (RM million)
Non-residential							
D'vine Residences Project	Construction of affordable serviced apartments and related facilities	Sungai Buloh, Selangor	Binastra Construction (M) Sdn Bhd	TPC	July 2021 / December 2024	9.47	216.62
KKB Academic Building and Student Accommodation Project	Construction of an academic building and hostels	Kuala Kubu Bahru, Selangor	Kelola Handal Sdn Bhd	TPC	March 2021 / May 2024	33.37	28.38
Permas City Project	Completion of the remaining works for a hotel, shop offices, M&E services and external works	Plentong, Johor	Tafi Home & Office Sdn Bhd	Subcontractor	January 2022 / January 2023	78.89	21.50

Notes:

(1) Start date is based on the date of the letter of award of the respective projects.

(2) Expected completion date is based on the letters of award of the respective projects or revised completion date based on the EOT granted by our customers as at the LPD. The details of on-going build projects that have been granted EOT by our customers are as follows:

	Expected completion date	
Project Name	***Contracted completion date***	***Revised completion date***
KKB Academic Building and Student Accommodation Project	*March 2024*	*May 2024*
Permas City Project	*November 2022*	*January 2023*

7.4.2 Design and build segment

Our responsibilities under the design and build projects are similar to the scope of work in build projects with additional responsibilities in the planning and coordinating the design of the building. We are responsible for the project management including coordinating, managing and supervising the design and build process from the initial conceptual design, project implementation, up to the project completion and handover.

(a) Building design

The design of building takes into consideration factors such as the functions of the building, aesthetic aspect of the building, zoning, space area, ventilation, floor plan, number of carparks and traffic flow within the project area. Our involvement under building design scope of work includes the following:

- early involvement in the planning and conceptual design for the development of the overall master plan, general floor plan and zoning plan of the building;

- planning and coordinating the schematic and detailed design which factor in the architectural, civil and structural, mechanical and electrical, utility, security and fire protection aspects of the building; and

- planning and coordinating with the architects and relevant professionals, which may be appointed by our customers or directly by us, on a case-to-case basis, for the submission of the design to the authorities taking into consideration the relevant legislation to comply with the requirements of the building in accordance with its function.

The professionals involved in the design phase include the following:

- town planner to prepare the development plans according to the government legislation, land title and use of building;

- traffic consultant to carry out the traffic impact assessment and advise on the design of the access route to the project site including the placement of traffic lights, roundabout and number of lanes required taking into consideration the surrounding vehicle and pedestrian traffic;

- environment impact assessment (EIA) consultants to carry out the environmental impact assessment and social impact assessment depending on the land size of the project;

- geotechnical consultants to carry out the assessment on the earth slopes, soil conditions and retaining structures for the project site;

- quantity surveyor to provide estimates on the total construction cost of the project taking into consideration, among others, the building material costs, labour and construction related cost;

- land surveyors to carry out land boundary survey, building as-built survey and strata title survey;

- engineers including civil and structural engineers, mechanical and electrical engineers to develop the engineering plans to ensure the planned building is functional and safe to use; and

- architects to coordinate with the town planner, traffic consultant and engineers to develop the design of the buildings including the external design, building plan, floor plan and gross floor area according to the customer's requirement. The architect for the project may be appointed by our customers or directly by our Group depending on a case-to-case basis.

We will engage external professionals (which may be appointed by our customers or directly by our Group), to cover the various aspects of the building design under our supervision. For projects where we are responsible for the appointment of architects and/or other relevant professionals, we will appoint them based on our evaluation criteria which takes into consideration the price quotation, timeliness, reputation, reliability and quality. Our role during the design phase mainly involves overall management, supervision and coordination while the design of the building and submission to the authorities will be carried out by external professionals.

(b) Project planning, construction, completion and handover

Upon receiving the approval from the customer as well as all the relevant authorities, we will proceed with the project planning phase followed by the construction of the building. Similar to other build projects, our scope of work covers up to the completion and handover of the project. Please refer to Section 7.4.1 for further details of activities undertaken in our build projects.

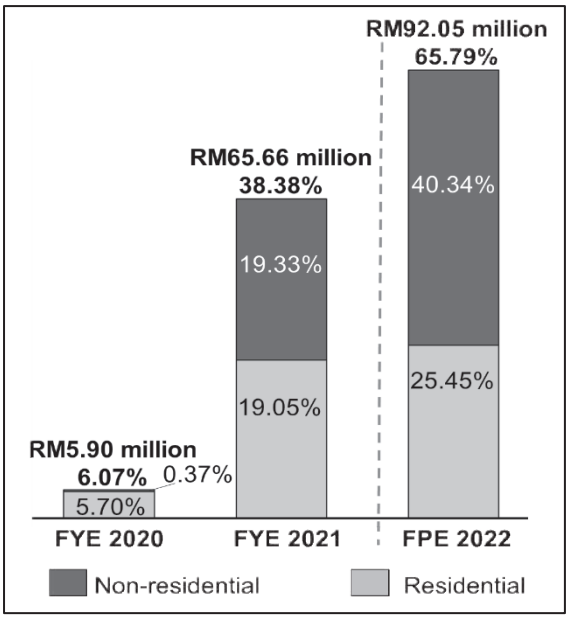
7.4.2.1 Types of design and build projects

In 2020, we expanded our capabilities to provide design and build services. We are currently undertaking design and build projects for residential and non-residential buildings.

For the FYE 2020, FYE 2021 and FPE 2022, revenue derived from design and build projects for residential buildings accounted for 5.70% (RM5.54 million), 19.05% (RM32.59 million) and 25.45% (RM35.61 million) of our total revenue respectively.

For the FYE 2020, FYE 2021 and FPE 2022, our revenue derived from the design and build projects for non-residential buildings accounted for 0.37% (RM0.36 million), 19.33% (RM33.07 million) and 40.35% (RM56.44 million) of our total revenue respectively.

Revenue of design and build segment by type of building



Note: Percentages are in proportion to our total revenue.

(a) Residential buildings

For the Financial Years and Period Under Review, our design and build of residential buildings are for high-rise properties as follows:

- **Apartments**

Residensi Armani
Bukit Lanjan Project

Residensi Armani
Petaling (Cheras) Project

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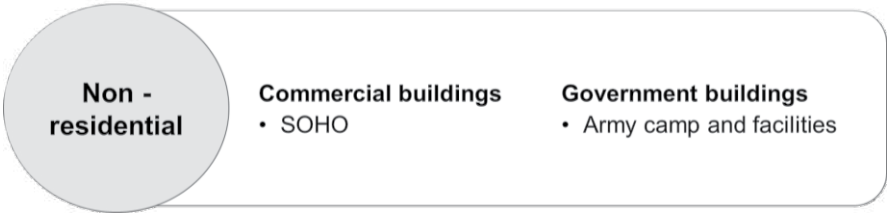
(b) Non-residential buildings

For the Financial Years and Period Under Review, our design and build of non-residential buildings are as follows:



- **Commercial building**

Armani Subang SOHO Project

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7.4.2.2 Our design and build projects

(a) On-going design and build projects

As we expanded our capabilities into design and build projects in 2020, all of our design and build projects are on-going as at LPD. The following are our on-going design and build projects:

Project Name	Description	Project Location	Customer Name	Our Role	Start Date[1] / Expected Completion Date[2]	Approximate Percentage of Completion as at LPD (%)	Contract Value (RM million)
Residential							
Selangor Cyber Valley (Phase 1) Project	Design and build of an affordable apartment and related facilities	Cyberjaya, Selangor	Splendid Forte Development Sdn Bhd	Main contractor	29 April 2022 / December 2026	*	234.86
Residensi Armani Petaling (Cheras) Project	Design and build of an apartment, affordable apartment and related facilities	Cheras, Kuala Lumpur	Mercu Majuniaga Sdn Bhd	TPC	August 2020 / December 2022[2]	98.31	58.00
Residensi Armani Bukit Lanjan Project	Design and build of an apartment, affordable apartment and related facilities	Segambut, Kuala Lumpur	Mercu Majuniaga Sdn Bhd	TPC	December 2020 / March 2023[2]	98.34	35.50
Non–residential							
Beluran Police Camp Project	Design and build of housing complexes, administration buildings and related facilities for PGA Malaysia	Beluran, Sabah	Hawa Teknik Sdn Bhd	TPC	February 2021 / February 2025[2]	27.50	332.82
Raja Uda Project	Design and build of a serviced apartment and related facilities	Kuala Lumpur	Mercu Majuniaga Sdn Bhd	TPC	January 2022 /May 2025	0.03	80.00
KKIP Warehouse Project	Design and build of semi-detached warehouses	Kota Kinabalu, Sabah	Armani KPF2 Development Sdn Bhd	Main contractor	October 2022 / March 2024	5.75	59.50
Armani Subang SOHO Project	Design and build of a SOHO and related facilities	Subang Jaya, Selangor	Mercu Majuniaga Sdn Bhd	TPC	October 2020 / March 2023[2]	96.56	43.00
Tanah Rata Cameron Project	Design and build of serviced apartments and related facilities	Cameron Highlands, Pahang	Mercu Majuniaga Sdn Bhd	TPC	January 2022 / January 2025	4.15	40.00

Notes:

* *As at the LPD, we have yet to commence construction as it is presently in the design phase and in the midst of preparing for application to the relevant authorities and hence there is no percentage of completion recorded for this project.*

(1) Start date is based on the date of the letter of award of the respective projects.

(2) Expected completion date is based on the letter of award of the respective projects or revised completion date based on the EOT granted by our customers as at the LPD. The on-going design and build projects that have been granted EOT by our customers are as follows:

	Expected completion date	
Project Name	***Contracted completion date***	***Revised completion date***
Residensi Armani Bukit Lanjan Project	*December 2022*	*March 2023*
Residensi Armani Petaling (Cheras) Project	*September 2022*	*December 2022*
Armani Subang SOHO Project	*January 2023*	*March 2023*
Beluran Police Camp Project	*December 2024*	*February 2025*

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7.4.3 Civil engineering works

Generally, our civil engineering works as at LPD include the following:

- **Earthworks** mainly includes site clearance, excavation and backfilling, as well as levelling, compacting the earth and rock hacking works.

- **Slope stabilisation works** refer to works that will enhance the strength of the slope to prevent slope failures. Depending on the site conditions, slopes can be stabilised by adding a surface cover to the slope, adding support structures to reinforce the slope excavation and changing the slope geometry or using drainage to control the groundwater underneath the slope.

  We will rent the relevant machinery and equipment and engage subcontractors to carry out all the above civil engineering works under our management and supervision.

For the FYE 2021 and FPE 2022, civil engineering works accounted for 1.36% (RM2.33 million) and 1.70% (RM2.39 million) of our total revenue and this was mainly for earthworks and rock hacking works.

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7.4.3.1 Civil engineering works

(a) Completed civil engineering works

We started to generate revenue under the civil engineering works segment in FYE 2021. As at the LPD, our completed projects in civil engineering works is as follow:

Project Name	Description	Project Location	Customer Name	Our Role	Start Date(1) / Completion Date(2)	Contract Value (RM million)
Plot 3	Construction and completion of earthworks and rock hacking works	Sungai Buloh, Selangor	Total Package Work Sdn Bhd	Subcontractor	August 2021 / January 2022	2.80
Plot 9C	Construction and completion of earthworks and related works	Sungai Buloh, Selangor	Binastra Construction (M) Sdn Bhd	Subcontractor	December 2021 / July 2022	2.63(3)
Plot 9B	Construction and completion of earthworks and related works	Sungai Buloh, Selangor	Binastra Construction (M) Sdn Bhd	Subcontractor	December 2021 / March 2022	0.48

Notes:

(1) Start date is based on the date of letter of award of the respective projects.

(2) Completion date is based on the CPC of the respective projects.

(3) Total contract value includes variation order.

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(b) On-going civil engineering works

As at the LPD, our on-going projects in civil engineering works are as follow:

Project Name	Description	Project Location	Customer Name	Our Role	Start Date[1] / Expected Completion Date[2]	Approximate Percentage of Completion as at LPD (%)	Contract Value (RM million)
Plot 10	Slope stabilisation works	Sungai Buloh, Selangor	Binastra Construction (M) Sdn Bhd	Subcontractor	January 2022 / September 2024[4]	2.27	56.00
Habu Cameron Infrastructure Project	Construction and completion of earthworks and infrastructure works	Cameron Highlands, Pahang	Tafi Development Sdn Bhd	Main contractor	January 2022 / March 2024	1.86	14.50
Plot 9D	Construction and completion of site preparation and earthworks	Sungai Buloh, Selangor	Binastra Construction (M) Sdn Bhd	Subcontractor	January 2022 / July 2023[3]	0.19	5.31

Notes:

(1) Start date is based on the date of the letter of award of the respective projects.

(2) Expected completion date is based on the letter of award of the respective projects.

*(3) Based on the terms of the letter of award dated 5 January 2022, the commencement of site works for Plot 9D is subject to the handover of the site possession and such handover shall not exceed 15 months from the date of the letter of award ("**Site Possession**"). The expected completion date shall be 9 months commencing from Site Possession. We have obtained the Site Possession in October 2022 and the expected completion date is July 2023.*

(4) Being the revised expected completion date based on the EOT granted by our customer as at the LPD.

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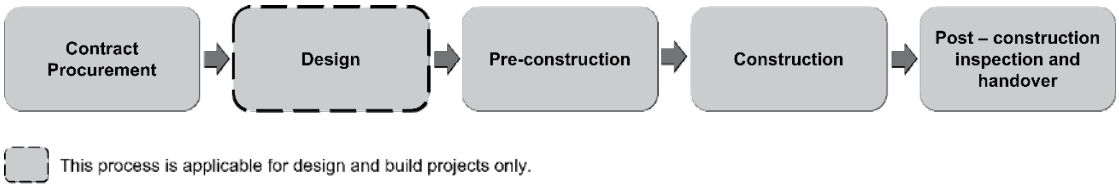
7.5 PROCESS FLOW

7.5.1 Building construction projects

The general process flow of our building construction projects are depicted in the diagram below:



Contract procurement

The contracts for our construction projects are secured through tenders, referrals or invitations from existing or new prospective customers. We will conduct a preliminary assessment on the contract terms, the creditworthiness of the prospective customer as well as the feasibility of the project before participating in the tender or providing a quotation.

Once the evaluation criteria of such assessment are fulfilled, our contracts department will commence preparing the tender documents or the proposal for the project. Generally, the preparation of tender documents or quotation proposals which involves site assessment, costing, budgeting, identification of statutory and regulatory requirements, evaluation of pre-determined design and specification, project scheduling as well as resource planning including manpower and supply of materials. Our purchasing department will provide the input pertaining to the estimated cost for the sourcing of relevant materials and services to the contracts department for the preparation of tender documents or quotation proposals. For projects covering design aspects, we will engage external architects and engineers to prepare the conceptual design which includes the preliminary structural and architectural design, general floor plan, zoning and space planning.

Once the tendering documents or quotation proposals are prepared, we will submit the relevant documents together with information pertaining to our prior experience to demonstrate our capabilities to the prospective customers. Following the submission of the tender, we may be invited to attend a tender interview by the prospective customer to review and negotiate the terms of the proposal. We will enter into a contract with the customer once the terms and conditions are negotiated and agreed upon by both parties. Generally, some of the terms stipulated in the contract include, among others, our scope of work, contract value, date of commencement and completion of work, DLP, payment term and terms on liquidated ascertained damages.

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Design

The following process is only applicable for design and build construction projects.

Upon receiving the letter of award from the customer, we will commence on planning and coordinating with the professionals for developing the conceptual design, schematic and detailed design as well as submitting the design to the authorities according to the purpose of the building.

Our responsibilities on the design aspects of the project are mainly planning, coordinating and participating in the early development of conceptual design up to the detailed design covering various areas including among others, architectural, civil engineering, mechanical and electrical, plumbing, firefighting and other elements of the building. We will engage with external professionals (which may be appointed directly by our customers or by our Group), to cover the various aspects of the building design under our supervision.

We will facilitate the submission of the drawings developed from the design phase to the customer for finalisation. Generally, the design drawings for a building construction project include the following:

(i) Architectural drawings which include, among others, the site plan, floor plan, cross section drawings, elevation and landscape plan as well as finishing drawings stipulating the specification of construction materials such as colour of paint, materials of the facade and type of flooring;

(ii) Structural drawings which include among others, the column and beam layout drawings stipulating the position, design, length and sectional design of columns and beams of the building, engineering layout drawings, and foundation plan drawings;

(iii) Air conditioning and mechanical ventilation (ACMV) drawings provide information pertaining to the design and layout of the heating and ventilation systems within the building;

(iv) Electrical (including extra low to high voltage), plumbing and sewerage drawings stipulating the layout of electrical and piping system of a building;

(v) Firefighter drawings stipulating the fire protection plan and safety systems such as the placement of fire hoses, points and water outlets;

(vi) Others such as submission drawings will be submitted to the respective authorities for their approval; and

(vii) Landscape drawings provide information on the landscape design of the building and the open areas of the project site.

For other non-design and build projects where the design is pre-determined by the customer, the authority submissions pertaining to the designs will be fulfilled by the customer or by the professionals appointed by the customer. We will obtain the designs from the customer and plan our construction works according to the approved design.

Pre-construction

Once the contract is secured or the design of the buildings is finalised, we will assemble a project team and proceed to the pre-construction phase which involves the following stages:

(i) Project planning and authority approvals

The planning involves project scheduling in terms of milestone and timeline, workflow, the planning of project costing and financial resources as well as consideration on other matters such as waste removal, logistics arrangement, worker's health and safety practices and quality assurance programme.

As a main contractor, our project team will ensure all the relevant regulatory permits and approvals required for the commencement of the building construction projects are in place such as the construction permit from the local councils for each project site and a valid certificate of fitness for the construction equipment to be used at the site.

(ii) Procurement of materials and services

Our scope of work also involves the procurement of construction materials, rental of machinery and equipment and appointment of services from our pool of approved suppliers and subcontractors. Generally, our procurement of construction materials and rental of machinery and equipment are based on purchase order basis and the selection of suppliers are based on their price quotation, timeliness of delivery, reputation, reliability and quality.

As for related specialised services such as engineering services, fire protection system, painting and ceiling works, we will engage external subcontractors to perform the relevant works under our supervision. Our contracts department will identify potential subcontractors and request for quotation. The identification of potential subcontractors is mainly through their application to our procurement department or referrals and recommendation from the customer.

Once we received the quotation from the subcontractors, we will review the proposed quotation and conduct a background check on the subcontractors. The appointment of subcontractor will be based on the result of their performance evaluation conducted by our contracts department based on criteria such as quality of work, experience, past record on timely completion of work, responsiveness to instruction, their resources including manpower, plant and materials, financial performance as well as their Quality, Safety and Health (QSH) compliance. Our contracts department will prepare a letter of award based on the contract value and terms negotiated and agreed between us and the appointed subcontractors. Some of the information stipulated in the letter of agreement include the contract value, scope of work, timeline for the commencement and completion of the work, and payment terms.

(iii) Site preparation and earthworks

Site preparation mainly involves setting up of temporary facilities and utilities. We either engage subcontractors for site preparation and earthworks to prepare the site suitable for construction under our supervision or it will be carried out by our in-house personnel. Some of the works include clearing of vegetation, overgrown shrubs and trees, removal of boulders, tree stumps and roots, excavation, backfilling and transportation of soil to and from the site as well as levelling and compacting the earth. Temporary facilities and utilities such as staging areas for machinery, equipment and materials, scaffolding, site office, worker amenities and power and water supply will also be set up at the construction site prior to the commencement of construction works.

(iv) Foundation works

Foundation works are for high-rise buildings which require substructures such as piling foundation works to support the load of the entire building and retaining walls to stabilise the structures to hold back the pressure of soil and/or water for the basement walls. We will engage external subcontractors to carry out foundation works under our management and supervision.

Construction

Our building construction projects consist of both high-rise buildings as well as landed buildings for residential and non-residential buildings. Generally, our scope of work are as follows:

(i) Substructure construction

Substructure construction mainly covers works below ground level as well as basement construction which are mainly for underground carpark are also considered substructure works. Substructure construction works are carried out by our in-house personnel. We also engage subcontractors to carry out certain portions of the structural works such as concreting, bar bending and carpentry works under our management and supervision where our role is mainly project management, coordinating workflow, supervision of construction work, quality assurance as well as workers' health and safety.

(ii) Superstructure construction

Superstructure construction refers to construction works that are above the ground. We have our in-house personnel headed by our site supervisor to carry out the superstructure works such as structural and wet works incorporating erection of walls, floors, beams, columns and roofs. We mainly employ aluminium, steel and timber formwork system for the construction of superstructures.

Depending on the requirement of the project, the construction of superstructures are carried out by our in-house personnel. We also engage subcontractors to carry out certain portions of the structural works such as concreting, bar bending and carpentry works under our management and supervision. As for specialised works such as painting, tiling and landscaping, these will be carried out by external subcontractors under our management and supervision.

In some cases, we may also be responsible for the internal fit-out of the buildings where we will engage subcontractors to conduct the works under our supervision.

(iii) External construction works

The external construction works including infrastructure works such as access roads and interconnection of utilities, as well as landscaping and installation of fixtures and features. We engage subcontractors to perform external construction works under our supervision.

(iv) Utility fitting works

The utility fitting works refer to the mechanical, electrical, communications and plumbing system installation. The M&E works and other specialised works such as installation of lifts, air conditioning and ventilation equipment, installation of fire protection system and security system are carried out by subcontractors under our supervision.

All the on-site construction works are monitored by our project team to ensure compliance with the design and technical specification, quality, safety as well as timely completion of works.

Post construction inspection and project handover

Upon the completion of construction works, we will carry out inspection and test together with the relevant subcontractors including architects and engineers to ensure that the relevant works fulfilled the scope stipulated in the contract. The post inspection is carried out to, inter-alia, ensure compliance with the relevant building requirements and other relevant laws and regulations prior to the issuance of the CCC. The main areas where inspection and test are carried out are as below:

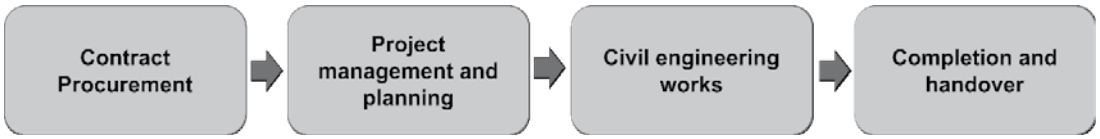
- structure works;
- architecture works;
- M&E works; and
- other relevant works as stipulated in the contract.

Any defects identified during the inspection will be rectified by the respective party in a prompt manner and the cost of these said works will be borne by the respective subcontractors. At the same time, we will also demobilise resources and construction materials from the site before handover and the as-built drawings, operations and maintenance manual as well as warranty certificates will be prepared by the respective subcontractors. Generally, each contract will have a differing timeline of handover from post construction stage as it is very much dependent on, inter-alia, whether there is any post construction rectification works to be undertaken. The project is deemed to be completed upon receiving CPC issued by the project architect.

Depending on the project, we are liable for the rectification of defects during the DLP, which ranges from 12 months up to 30 months. Upon the expiration of the DLP, we will receive the CMGD for the project where we will be able to claim the final retention sum.

7.5.2 Civil engineering works

The general process flow of our civil engineering projects is depicted in the diagram below:



(a) Contract procurement

The contracts for our civil engineering projects are secured through tenders, referrals or invitation from existing and new prospective customers. The process for contract procurement for our civil engineering works are similar to the building construction projects. Please refer to Section 7.5.1 of this Prospectus for further details.

(b) Project management and planning

We carry out civil engineering works based on the specifications provided by the customer. Similar to build projects, we are responsible for the overall project management and planning. Our role includes timeline planning and procurement of materials and services as well as to coordinate, manage and supervise the process from initial planning, project implementation up to the completion and handover.

We are also responsible in ensuring that the civil engineering works are completed based on the agreed timeline and budget. As a subcontractor for civil engineering works, we report directly to the main contractor.

(c) Civil engineering works

Generally, our civil engineering works constitute the first portion of the overall construction works which will commence prior to other construction works such as substructure and superstructure construction. Civil engineering works mainly involve the preparation of the project site suitable for the construction of building, structures and infrastructures. Depending on the customer's requirement, our civil engineering scope of work may include among others, earthworks, hacking works and slope stabilisation.

We will rent the relevant machinery and equipment and engage external subcontractors to carry out all the above civil engineering works under our management and supervision.

(d) Completion and handover

Upon completion of the civil engineering works, we will conduct the final inspection and if necessary, carry out any rectification works before handing it over to the customer. The project is deemed to be completed upon the issuance of CPC or letter of confirmation of handover from the customer.

7.6 RESEARCH AND DEVELOPMENT

Due to the nature of our Group's business, we are not involved in any research and development activities and we have not recognised any research and development expenditure during the Financial Years and Period Under Review.

7.7 MARKETING ACTIVITIES

Our sales and marketing activities are focused on the following:

- Continue to position and market ourselves as a main contractor or TPC with G7 capabilities in managing sizeable building construction projects.

- Continue to leverage from our established relationships as well as strengths and track record in carrying out various types of building construction projects including design and build projects. In this regard, our Group Managing Director and Executive Director are generally responsible for liaising and maintaining relationships with existing and potential customers as well as keeping abreast of market developments to secure any future construction opportunities.

- Actively bid for both private and government building projects to increase our presence as a contractor. As at the LPD, we have a balanced mix of private and government building projects of 47.75% and 52.25% respectively, based on outstanding order book.

- Proactively follow up on customer referrals to prospective customers as well as maintain business relationships with existing customers as part of our continuing business development.

- As part of our marketing strategy, we will continue to enhance our corporate website with a view of using it as a reference site for prospective customers.

- We will continue to showcase our ability to manage projects not only in Selangor and Klang Valley but in other states and this is supported by the fact that as at the LPD, we have 5 on-going projects namely Beluran Police Camp Project and KKIP Warehouse Project in Sabah, Permas City Project in Johor as well as Tanah Rata Cameron Project and Habu Cameron Infrastructure Project in Pahang.

7.8 TECHNOLOGY

We do not employ any special technology in our business operations. However, we rely on the technologies embedded in the construction machinery and equipment to carry out our business operations. The list of our key machinery and equipment is set out in Section 7.9 of this Prospectus. In addition, we utilise IBS for all of our building construction projects involving superstructure construction works during the Financial Years and Period Under Review and up to the LPD. We mainly utilise 4 types of IBS namely aluminium formwork, steel formwork, timber formwork and precast concrete components for our superstructure construction works. Please refer to Section 7.4.1.1(c)(iii) of this Prospectus for further details on the utilisation of IBS.

7.9 KEY MACHINERY AND EQUIPMENT

The key machinery and equipment for our Group's business operations are as follows:

Main machinery and equipment	Number of units / sq. m	Net book value as at 30 June 2022 RM'000
Tower cranes	2 units	506
Formwork systems	4,367 sq m	68
Other machinery and equipment [(1)]	24 units	215
	TOTAL	**789**

Note:

(1) Machinery and equipment include geodetic measurement station, weighbridge system, mechanical distributor, concrete grinder, passenger hoist and others.

In addition to the main machinery and equipment tabulated above, we also rent machinery and equipment such as excavators, backhoe and cranes from other parties for our construction projects. For the Financial Years and Period Under Review, our rental charges incurred accounted for 5.95% (RM4.79 million), 3.70% (RM2.87 million), 4.52% (RM6.42 million) and 6.79% (RM7.86 million) of our total purchases of input materials and services for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively. Please refer to Section 7.13 of this Prospectus for further information on the type, sources and availability of our purchases.

7.10 CAPACITY AND UTILISATION

Measurements of capacity and utilisation do not apply to our business operations as our business activities are service based and we carry out most of our work at project sites.

7.11 SEASONALITY

We do not experience any material seasonality in our business as the nature of our business operations is project based and are not subject to seasonal fluctuations.

7.12 MATERIAL INTERRUPTIONS TO OUR BUSINESS

7.12.1 MCO 1.0

On 16 March 2020, the Government had announced the MCO 1.0 to curb the spread of COVID-19 in Malaysia. The MCO 1.0 was implemented from 18 March 2020 and was extended into several phases up to 3 May 2020. Under MCO 1.0, economic activities were halted including, among others, the closure of all businesses except those classified under "essential services" or business that have received written approval to operate from MITI, restrictions on the movement of people within Malaysia and restrictions on international travel to and from Malaysia.

As a result, we temporarily suspended our operations at both our project sites and at our head office, with our personnel from head office working remotely. We had also notified our customers on the suspension of work at the project site due to MCO 1.0 restrictions. Our Directors noted that this was a temporary situation and we took steps to submit our applications to the MITI.

We subsequently resumed operations at our head office (but limited to only up to 50% of our workforce) on 20 April 2020 pursuant to the approval received from the MITI. We had also received approvals from the MITI to resume our operations at some of our ongoing project sites, but limited to only up to 50% of workforce.

Prior to resumption of operations, we were required to perform COVID-19 testing on all our construction site workers (including our subcontractors' site construction workers) to ensure that they are not infected with the COVID-19 virus. Arising therefrom, we gradually resumed works at our project sites, starting with Glenz Mixed Commercial Development Project and Three33 Residence Project on 21 April 2020, PPA1M Houses Project on 18 May 2020 and Semi-D and Bungalow Houses (Pujaan) Project on 14 May 2020.

7.12.2 MCO 2.0

Towards the end of 2020, the country saw COVID-19 infections increased and subsequently on January 2021, a second MCO (MCO 2.0) was imposed on selected states including Melaka, Johor, Penang, Selangor, Sabah and the Federal Territories of Kuala Lumpur, Putrajaya and Labuan. Subsequently, MCO 2.0 transitioned to CMCO or RMCO depending on the state. Companies that have previously obtained approval from the MITI during MCO 1.0 were allowed to continue to operate while adhering to SOP. During MCO 2.0, we were allowed to operate at both our head office and site operations, subject to compliance with the respective SOPs.

7.12.3 MCO 3.0, FMCO and NRP

Subsequently, following the increasing trend of daily COVID-19 cases, the third MCO (MCO 3.0) was reimposed in several states from April 2021 onwards, which subsequently culminated into a nationwide reimposition of MCO 3.0 starting from May 2021 to June 2021. The measures imposed under the MCO 3.0 included among others, restrictions on the movement of people within Malaysia and restrictions on international travel to and from Malaysia, the closure of all businesses except those classified under "essential economic sector" or have received written approval to operate from the MITI and only 30% of employees in the top management group were allowed to be in the office. During MCO 3.0, we were allowed to continue to operate at our head office while adhering to SOPs. During MCO 3.0, we temporarily suspended our operations at our project sites.

The Government imposed FMCO from 1 June 2021, where only essential economic and service sectors are allowed to continue operating. As for construction activities, these are limited to works such as repair and maintenance as well as construction of public infrastructures such as tunnels, slopes, bridges and viaducts, highways (those which are at least 80.00% completed), Mass Rapid Transit, Light Rail Transit, The East Coast Rail Link, hospitals, and workers' residence at construction sites during the FMCO period. Accordingly, all our project sites were not allowed to operate during FMCO, pending the approval from the MITI.

On 15 June 2021, the Government announced the NRP, which is a 4-phase strategy based on, inter-alia, key health and vaccination rate indicators. The NRP phases are summarised as follows:-

- NRP Phase 1: The first phase of the NRP commenced with the implementation of the FMCO.

- NRP Phase 2: The second phase were to be implemented only if the number of daily COVID-19 cases reduces to below 4,000 where the reopening of selected economic sectors in stages were permitted.

  Under NRP Phase 2, construction activities were allowed to resume operations while complying to latest SOPs and strict operating capacity requirements imposed by the Government.

- NRP Phase 3: Involves allowing nearly all economic sectors to operate, subject to SOPs and restrictions on the number of people allowed to be present at workplaces.

- NRP Phase 4: Full reopening of the economy, with resumption of interstate travel and domestic tourism.

We took steps to submit our applications to the MITI and had subsequently received our approvals from the MITI on 8 June 2021 which allowed us to operate at 60% capacity at our head office according to NRP Phase 1 guidelines. During the NRP period, we were also affected by the imposition of the Enhanced MCO ("**EMCO**") in a large part of Selangor from 3 July 2021 to 16 July 2021, where control measures were stricter and tighter in EMCO areas. This had resulted in temporary suspension of operations at our head office and all our management and administrative staff worked from home during this period.

As for our major on-going project sites as detailed below, we had halted work on our sites commencing 1 June 2021 and had recommenced operations upon receiving approvals from the MITI (at 60% and 80% capacity of our workforce) during Phase 1 and Phase 2 of the NRP respectively, as follows:-

Projects (located within Kuala Lumpur / Selangor unless stated otherwise)	Approval Date	Resumption of Operations
Residensi Armani Petaling (Cheras) Project	25 August 2021	26 August 2021
Armani Subang SOHO Project	23 July 2021	24 July 2021
KKB Academic Building and Student Accommodation Project	27 July 2021	28 July 2021
Beluran Police Camp Project	4 August 2021	5 August 2021
CPL Aromas Pulau Indah Project	8 July 2021	17 July 2021
Residensi Armani Bukit Lanjan Project	22 July 2021	23 July 2021
Glenz Mixed Commercial Development Project	8 July 2021	17 July 2021
PPA1M Houses Project	30 July 2021	31 July 2021
Semi-D and Bungalow House (Pujaan) Project	15 August 2021	15 August 2021

Subsequently on 15 August 2021, the Government allowed non-essential activities in the manufacturing, mining and quarrying sectors for all states under NRP Phase 1, NRP Phase 2 and NRP Phase 3 to operate effective from 16 August 2021 with the capacity depending on the rate of vaccination of workers. Kuala Lumpur and Selangor transitioned into NRP Phase 2 on 10 September 2021, where selected activities including construction were allowed to resume operations while complying to latest SOPs and strict operating capacity requirements imposed by the Government. We had been operating at 100% capacity at our head office since October 2021, when our Company achieved 95% vaccination rate as Klang Valley transitioned into Phase 3 of the NRP. As at October 2021, all our site workers had been fully vaccinated and we have since then operate at 100% capacity for all our project sites.

7.12.4 Measures and steps taken in our business operations in response to COVID-19 pandemic

To curb the spread of COVID-19, we implemented the following SOPs for our business operations:

(i) compulsory scanning on MySejahtera apps for contact tracing purposes and contact details of visitors, subcontractors and employees must be recorded before they enter into the office and project sites;

(ii) practising social distancing in the office and project sites;

(iii) requiring all visitors, subcontractors and employees to wear face masks at all times in the company's premises or project sites;

(iv) providing hand sanitisers at the main entrance of company's premises and all common areas;

(v) implementation of preventive response procedure in managing and ensuring shortest possible time in resuming business when infection in the workplace is reported; and

(vi) regular sanitising of our office, project sites and staff accommodation.

In the event of an infection, we would isolate the affected employee and our employees and/or our subcontractors' workers would have to undergo COVID-19 testing. In the event of an infected case at the project site, as the employer, we would bear the swab test and quarantine cost of our employees.

7.12.5 Impact of COVID-19 on our financial performance, financial position and liquidity

We experienced disruptions to our business operations and at the project sites due to the imposition of various phases of MCO 1.0 commencing from 18 March 2020. As a result of the interruptions to our operations at the head office and the project sites, our construction activities were delayed and this affected our revenue recognition of approximately RM4.32 million during FYE 2020 for Semi-D and Bungalow Houses (Pujaan) Project, Three33 Residence Project, PPA1M Houses Project and Glenz Mixed Commercial Development Project. However, we did not experience any material impact on our financial performance as our total revenue only declined by 1.61% from RM98.71 million in FYE 2019 to RM97.12 million in FYE 2020 and we had fully recognised the aforementioned revenue of RM4.32 million in FYE 2021.

During FMCO and various stages of the NRP, we have also experienced temporary suspension of our operations as well as the imposition of workforce capacity limit at all our project sites that had contributed to the potential delay in our revenue recognition from all projects. Some of our projects which experienced delays include Semi-D and Bungalow Houses (Pujaan) Project, PPA1M Houses Project, KKB Academic Building and Student Accommodation Project, CPL Aromas Pulau Indah Project, Glenz Mixed Commercial Development Project, Residensi Armani Bukit Lanjan Project, Residensi Armani Petaling (Cheras) Project, Armani Subang SOHO Project and Beluran Police Camp Project. As a result of the interruptions at our project sites, our construction activities were delayed and this affected our revenue recognition of approximately RM28.15 million for FYE 2021. However, our financial performance was not materially affected by the disruptions as our revenue increased by 76.15% from RM97.12 million for the FYE 2020 to RM171.08 million for the FYE 2021 and we had fully recognised the aforementioned revenue of RM28.15 million as at the LPD.

Between MCO 1.0 and up to the LPD, our additional medical and related cost incurred to implement precautionary measures and to comply with SOP amounted to approximately RM0.66 million.

Our Board of Directors is of the view that the above delay in our projects and revenue recognition will not have a material impact on our financial performance as we have resumed operations on our project sites and we had not received any cancellation or suspension of contracts nor did we experience any reduction in our scope of work due to the pandemic. This view also takes into consideration the gradual recovery of Malaysia's economy supported by the various economic stimulus packages provided by the Government. According to Bank Negara Malaysia, Malaysia's economy is projected to grow within a range of 5.3% to 6.3% by 2022.

In addition, we did not experience any claims for LADs or penalties on delays in project completion for the Financial Years and Period Under Review and up to the LPD. Due to MCO, we managed to obtain an extension of time for all our on-going projects that have been affected by MCO and NRP of which the details are set out in Section 7.12.6 of this Prospectus.

Based on our statements of our financial position as at 31 December 2021, we have total fixed deposits as well as cash and bank balances of RM14.74 million (including RM10.85 million of fixed deposits and bank balances pledged as security for banking facilities granted to our Group) and total borrowings of RM28.25 million. As at the LPD, we have available banking facilities amounting to RM118.60 million, of which RM84.39 million are yet to be utilised.

Our Directors are of the opinion that, after taking into consideration our fixed deposits, cash and bank balances, cash generated from our business operations, the amount of unutilised banking facilities and proceeds to be raised from the Public Issue, we will have adequate working capital to meet our present and foreseeable requirements for at least 12 months from the date of this Prospectus.

7.12.6 Impact of COVID-19 on our business operations

Our business and onsite operations were affected by the various phases of MCOs and NRP which has resulted in the temporary suspension and slowdown of work during these respective periods. In light of this, we have sought an EOT from our customers for the following projects:

Project Name	Contractual completion date (1)	Extended completion date
Semi D and Bungalow House (Pujaan) Project	August 2020	October 2021 (2) (3)
PPA1M House Project	April 2020	March 2022 (2) (3)
KKB Academic Building and Student Accommodation Project	March 2024	May 2024
Residensi Armani Bukit Lanjan Project	December 2022	March 2023
CPL Aromas Pulau Indah Project	March 2022	August 2022
Armani Subang SOHO Project	January 2023	March 2023
Residensi Armani Petaling (Cheras) Project	September 2022	December 2022
Three33 Residence Project	October 2019	September 2020 (2) (3)
Glenz Mixed Commercial Development Project	June 2021	March 2022 (2) (3)

Project Name	Contractual completion date [1]	Extended completion date
Beluran Police Camp Project	December 2024	February 2025
Themepark Project	December 2021	April 2022[4]

Notes:

(1) Based on letters of award of the respective projects.

(2) In addition to the delays caused by the MCO and NRP phases, the EOT for the projects above was also to cater for, inter-alia, request for extension by contract awarders and variation in scope of work for the projects.

(3) The project had since been completed during the extended completion date.

(4) The project was completed in March 2022, which is earlier than the extended completion date.

The EOT obtained are based on provision for force majeure events in our contracts with our customers, as a result of various phases of MCOs and NRP which caused temporary suspension of works as well as additional time required to recommence work sites, i.e. remobilising construction workers, equipment and supply of materials as well as the time taken to establish the required SOPs at the construction sites. For the Financial Years and Period Under Review and up to the LPD, we have not encountered any situation where our customers had imposed LADs on us due to delays caused by the pandemic.

7.12.7 Impact of COVID-19 on our supply chain

During the MCO, FMCO, EMCO and NRP periods, our supply chain was to a certain extent affected as our suppliers and subcontractors were equally impacted by the temporary suspension of business operations arising from the various lockdowns and containment measures imposed by the authorities.

During MCO 1.0, both our operations and our suppliers and subcontractors' operations were also suspended temporarily. Prior to the resumption of our operations, we worked closely with them to ensure timely delivery of required construction materials and resources, no shortages in the supply of construction materials and the continuation of services by our subcontractors once we resume operations at our project sites.

During MCO 2.0 and 3.0, economic sectors were allowed to operate and thus, we did not experience material disruption to our supply chain and provisions of services by our subcontractors.

However, during the FMCO period which began on 1 June 2021, limited construction activities were allowed to operate with operations being limited to amongst others, critical construction and repair and maintenance of public infrastructure projects. Nonetheless, during the FMCO and various phases of the NRP, our construction projects were not materially impacted by the suspension of our suppliers' operations as some of our construction projects were also temporarily suspended pending the approval of the MITI to resume. Further, some of our project sites were operating at lower capacity in order to comply with the SOP and operating capacity requirements imposed by the Government under the NRP, thus, resulted in slower progress and utilisation of materials and resources.

7.13 TYPE, SOURCES AND AVAILABILITY OF PURCHASES

The following are the major types of input materials and services that we purchased for our business operations for the FYE 2019, FYE 2020, FYE 2021 and FPE 2022.

	FYE 2019		FYE 2020		FYE 2021		FPE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Subcontractor services	**49,217**	**61.06**	**48,706**	**62.56**	**85,884**	**60.42**	**65,823**	**56.90**
Architecture works	21,164	26.26	17,954	23.06	29,983	21.09	16,062	13.88
M&E works	17,024	21.12	14,607	18.76	27,029	19.01	22,932	19.82
Structural works	6,502	8.07	12,086	15.52	17,438	12.28	16,966	14.67
Others (1)	4,527	5.62	4,059	5.21	11,434	8.04	9,863	8.53
Construction materials	**21,879**	**27.15**	**21,955**	**28.20**	**43,118**	**30.33**	**35,393**	**30.59**
Steel materials	7,671	9.52	8,178	10.50	17,985	12.65	15,329	13.25
Concrete and cement materials	6,850	8.50	7,300	9.38	13,952	9.81	9,934	8.58
Other materials (2)	7,358	9.13	6,477	8.32	11,181	7.87	10,130	8.76
Rental charges (3)	**4,794**	**5.95**	**2,873**	**3.70**	**6,422**	**4.52**	**7,855**	**6.79**
Project overhead and other related costs (4)	**4,708**	**5.84**	**4,322**	**5.55**	**6,728**	**4.73**	**6,618**	**5.72**
Total purchases	**80,598**	**100.00**	**77,856**	**100.00**	**142,152**	**100.00**	**115,689**	**100.00**

Notes:

(1) Other subcontracted services include landscaping works, infrastructure works, foundation works, piling works and earthworks.

(2) Other materials include tiles, sanitary wares, brickwork materials, doors and windows, hardware and consumables, aggregates, plywood and timber, and scaffoldings.

(3) Rental charges include mainly rental of machines and equipment such as excavators, backhoe and cranes for our construction projects.

(4) Project overhead and other related costs includes application fees for authority submission, administrative expenses, site workers expenses, site utility expenses and others.

Purchases of subcontractor services and construction materials constitute our major input materials and services for our construction operations.

Purchases of subcontractor services alone accounted for 61.06% (RM49.22 million), 62.56% (RM48.71 million), 60.42% (RM85.88 million) and 56.90% (RM65.82 million) of our total purchases of input materials and services for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively. Notwithstanding the total subcontractor costs in terms of percentage had decreased in FYE 2021, nonetheless the overall subcontractor costs had increased from RM48.71 million to RM85.88 million.

The following are some of the subcontractor services where we engage external parties to carry out the works:

- Architecture works such as building design and preparation of drawings and documents for authority submissions, bricklaying and concreting, wood and metal joining, glazing, flooring, tiling, ceiling works, painting, water proofing, and other finishing works.

- M&E works including supply and installation of mechanical and electrical systems such as lifts, fire protection system, security system, air conditioning system, as well as water supply and plumbing system.

- Structural works such as concreting, bar bending works and carpentry works.

- Other subcontracted services include landscaping works, infrastructure works, foundation works, piling works and earthworks.

Purchases of construction materials accounted for 27.15% (RM21.88 million), 28.20% (RM21.96 million), 30.33% (RM43.12 million) and 30.59% (RM35.39 million) of our total purchases of input materials and services for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively.

For the Financial Years and Period Under Review, steel bars constitute one of the main steel materials purchased by our Group and are subject to price fluctuations. The average purchase price of steel bars purchased by our Group increased by 1.15%, 43.27% and 4.52% for FYE 2020, FYE 2021 and FPE 2022 respectively. As steel bars are one of the main materials used in our construction operations, the fluctuations in price will affect our margins. For the Financial Years and Period Under Review, our financial performance was not materially impacted by the increases in the price of steel materials as the price fluctuation to-date is still within our project contingency budgeting which takes into consideration the fluctuations in the prices of construction materials including steel bars.

Concrete materials also constitute one of the main construction materials purchased by our Group. For the Financial Years and Period Under Review, the average prices of concrete materials purchased by our Group fluctuated within a narrower range compared to steel bars.

Generally, the unit price of construction materials is budgeted into our cost of construction where we have factored in the price fluctuations of construction materials over the duration of the project period. In the event of any unfavourable fluctuations in the cost of these materials during the project period, it may increase our overall project costs. Please refer to Section 9.1.3 of this Prospectus for further details on the risks relating to price fluctuations of our construction materials.

Our other purchases include rental of machinery and equipment and others services which collectively accounted for the remaining 11.79% (RM9.50 million), 9.25% (RM7.20 million), 9.25% (RM13.15 million) and 12.51% (RM14.47 million) of our total input materials for the FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively.

For the Financial Year and Period Under Review, all of our major input materials and services were sourced from local suppliers.

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7.14 MAJOR CUSTOMERS

Our top 5 major customers for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 are as follows:

FYE 2019

Major customers	Principal activities of major customers[2]	Projects	RM'000	% of total revenue	Length of business relationship (Year)[1]
TSI Domain Sdn Bhd[3]	Property development and general construction	• Three33 Residence Project	43,626	44.20	1
Sg. Besi Construction Sdn Bhd[4]	Property development and building construction	• Glenz Mixed Commercial Development Project	22,557	22.85	less than 1 year
Perbadanan Perwira Harta Malaysia	Property development and construction	• TUDM Army Camp Package 2 Project[5] • TUDM Army Camp Package 3 Project	8,544	8.66	3
Ascendvest Sdn Bhd[3]	Property development	• Cameron Fair Project	6,555	6.64	4
Aikbee Timbers Sdn Bhd[6]	Property development and hotel operations	• Pearl Suria Residence Project	4,289	4.35	5
Total of top 5 major customers			**85,571**	**86.70**	
Group's revenue			**98,707**		

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7. BUSINESS OVERVIEW *(cont'd)*

FYE 2020

Major customers	Principal activities of major customers[2]	Projects	RM'000	% of total revenue	Length of business relationship (Year)[1]
Sg. Besi Construction Sdn Bhd[4]	Property development and building construction	• Glenz Mixed Commercial Development Project	57,116	58.81	1
Perbadanan Perwira Harta Malaysia	Property development and construction	• TUDM Army Camp Package 2 Project[5] • TUDM Army Camp Package 3 Project	11,411	11.75	4
TSI Domain Sdn Bhd	Property development and general construction	• Three33 Residence Project	9,448	9.73	2
Mercu Majuniaga Sdn Bhd[4]	Building construction	• Residensi Armani Petaling (Cheras) Project • Armani Subang SOHO Project	5,742	5.91	less than 1 year
Pujaan Harmoni Sdn Bhd	Property development	• Semi D and Bungalow House Project	5,486	5.65	1
Total of top 5 major customers			**89,203**	**91.85**	
Group's revenue			**97,124**		

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7. BUSINESS OVERVIEW *(cont'd)*

FYE 2021

Major customers	Principal activities of major customers[2]	Projects	RM'000	% of total revenue	Length of business relationship (Year)[1]
Sg. Besi Construction Sdn Bhd[4]	Property development and building construction	• Glenz Mixed Commercial Development Project • CPL Aromas Pulau Indah Project	72,224	42.22	2
Mercu Majuniaga Sdn Bhd[4]	Building construction	• Residensi Armani Petaling (Cheras) Project • Armani Subang SOHO Project • Residensi Armani Bukit Lanjan Project	52,343	30.60	1
Hawa Teknik Sdn Bhd	General construction, repair and maintenance works	• Beluran Police Camp Project	13,247	7.74	less than 1 year
Perbadanan Perwira Harta Malaysia	Property development and construction	• TUDM Army Camp Package 2 Project[5] • TUDM Army Camp Package 3 Project • Malaysian Armed Forces (Package 3) Project	12,834	7.50	5
Cherane Lalie Sdn Bhd	Property development, building construction and transportation	• PPA1M Houses Project	8,246	4.82	2
Total of top 5 major customers			**158,894**	**92.88**	
Group's revenue			**171,081**		

7. BUSINESS OVERVIEW *(cont'd)*

FPE 2022

Major customers	Principal activities of major customers[2]	Projects	RM'000	% of total revenue	Length of business relationship (Year)[1]
Mercu Majuniaga Sdn Bhd[4]	Building construction	• Residensi Armani Petaling (Cheras) Project • Armani Subang SOHO Project • Residensi Armani Bukit Lanjan Project	51,048	36.49	2
Hawa Teknik Sdn Bhd	General construction, repair and maintenance works	• Beluran Police Camp Project	40,888	29.22	1
Sg. Besi Construction Sdn Bhd[4]	Property development and building construction	• Glenz Mixed Commercial Development Project • CPL Aromas Pulau Indah Project	26,108	18.66	3
Binastra Construction (M) Sdn Bhd	Building construction and transportation	• D'vine Residences Project • Plot 3 • Plot 9B • Plot 9C • Plot 9D • Plot 10	8,169	5.84	1
Tafi Industries Berhad[4][7]	General construction works, manufacturing of furniture and trading of building materials	• Permas City Project • Habu Cameron Infrastructure Project	6,724	4.81	less than 1 year
Total of top 5 major customers			**132,937**	**95.02**	
Group's revenue			**139,914**		

Notes:

(1) Length of relationship is determined as at the respective FYEs or FPE.

(2) Source: Companies Commission of Malaysia.

(3) TSI Domain Sdn Bhd and Ascendvest Sdn Bhd have common shareholders. For information purposes, the aggregate revenue contribution from TSI Domain Sdn Bhd and Ascendvest Sdn Bhd collectively accounted for 50.84% (RM50.18 million), 9.75% (RM9.47 million), 0.59% (RM1.01 million) and 0.02% (RM0.02 million) of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively.

*(4) Sg. Besi Construction Sdn Bhd ("**Sg. Besi Construction**"), Mercu Majuniaga Sdn Bhd ("**Mercu Majuniaga**") and Tafi Industries Berhad have a common shareholder. For information purposes, the aggregate revenue contribution from Sg. Besi Construction, Mercu Majuniaga and Tafi Industries Berhad collectively accounted for 22.85% (RM22.56 million), 64.72% (RM62.86 million), 72.82% (RM124.57 million) and 59.96% (RM83.88 million) of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively. Notwithstanding the significant aggregate revenue contribution from Sg. Besi Construction, Mercu Majuniaga and TAFI Industries Berhad, our Group is not dependent on them as our customers as the projects awarded by Sg. Besi Construction, Mercu Majuniaga and Tafi Industries Berhad represent approximately 14.79% of the Group's outstanding order book as at the LPD and the Glenz Mixed Commercial Development Project and CPL Aromas Pulau Indah Project which are awarded by Sg. Besi Construction have been completed in March 2022 and August 2022 respectively.*

(5) The project was awarded by Pembinaan Perwira Harta Sdn Bhd which was a subsidiary of Perbadanan Perwira Harta Malaysia. The ultimate holding company of Pembinaan Perwira Harta Sdn Bhd and Perbadanan Perwira Harta Malaysia is Lembaga Tabung Angkatan Tentera.

(6) The ultimate holding company of Aikbee Timbers Sdn Bhd is Sitt Seng & Sons Realty Sdn Bhd.

(7) Tafi Industries Berhad, which is a company listed on the Main Market of Bursa Securities, is the holding company of Tafi Home & Office Sdn Bhd and Tafi Development Sdn Bhd.

Notwithstanding that certain major customer of our Group had contributed substantially to our revenue during the Financial Years and Period Under Review, our Group is not dependent on any customer. This is due to the nature of our business which is project based where our Group's revenue contribution from major customers varies from year to year given the nature of our business being conducted on a contract basis, which typically range from 2 to 3 years. Furthermore, our Group has been able to successfully secure contracts from new customers which are of relatively sizeable value during the Financial Years and Period Under Review and subsequent thereto, such as the Beluran Police Camp Project, D'vine Residences Project as well as the Selangor Cyber Valley Project and Sierra Alam Project. However, we are exposed to customer concentration risk of which the details are set out in Section 9.1.14 of this Prospectus.

For information purposes, for the Financial Years and Period Under Review, Perbadanan Perwira Harta Malaysia, Sg. Besi Construction Sdn Bhd, Mercu Majuniaga Sdn Bhd, Binastra Construction (M) Sdn Bhd and Tafi Industries Berhad are recurrent customers where we secured more than 1 construction project from the same customer.

Please refer to Sections 7.4.1.3 and 7.4.2.2 of this Prospectus for further details on our on-going projects.

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7.15 MAJOR SUPPLIERS

Our top 5 major suppliers for the FYE 2019, FYE 2020, FYE 2021 and FPE 2022 are as follows:

FYE 2019

Major suppliers	Principal activities of major suppliers[2]	Main materials / services purchased	RM'000	% of total purchases	Length of business relationship (Year)[1]
Makin Juta Sdn Bhd	Manufacturing and trading of steel products and construction materials and transport services	Steel bars	4,680	5.81	8
Triplekon Construction Sdn Bhd	Construction of buildings	Subcontracted marbling and aluminium works	3,289	4. 08	4
Kuasamas Letrik Sdn Bhd	Electrical engineering services	Subcontracted electrical and telephone installation works	3,270	4.06	1
MK Fong Plumbing[3]	Plumbing works	Subcontracted plumbing works	2,351	2.92	2
Yee Lee Glass Sdn Bhd	Glass and aluminium works	Subcontracted glass and aluminium works	1,936	2.40	less than 1 year
Total of top 5 major suppliers			**15,525**	**19.27**	
Group's purchases			**80,598**		

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7. BUSINESS OVERVIEW *(cont'd)*

FYE 2020

Major suppliers	Principal activities of major suppliers[2]	Main materials / services purchased	RM'000	% of total purchases	Length of business relationship (Year)[1]
Visibina Sdn Bhd[8]	General trading, building cleaning and laundry services and general contractor	Subcontracted main building works	4,814	6.18	Less than 1
Makin Juta Sdn Bhd	Manufacturing and trading of steel products and construction materials and transport services	Steel bars	4,568	5.87	9
Skypark Machineries Sdn Bhd[4] ("**Skypark Machineries**")	Rental of mobile crane and hardware supplier	Rental and repair of cranes and construction equipment	2,473	3.18	7
Jun Tractor Sdn Bhd[5] ("**Jun Tractor**")	Rental of heavy machinery	Rental of excavators	2,275	2.92	5
Toshiba Elevator (Malaysia) Sdn Bhd *(formerly known as MS Elevators Engineering Sdn Bhd)*	Supply and installation of elevators and escalators as well as related maintenance services	Subcontracted mechanical and electrical works	2,260	2.90	4
Total of top 5 major suppliers			**16,390**	**21.05**	
Group's purchases			**77,856**		

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7. BUSINESS OVERVIEW *(cont'd)*

FYE 2021

Major suppliers	Principal activities of major suppliers[2]	Main materials / services purchased	RM'000	% of total purchases	Length of business relationship (Year)[1]
Fastcoll Corporation Sdn Bhd	Air-conditioner supplier and contractor	Subcontracted air conditioning, mechanical ventilation and electrical services	11,028	7.76	2
Makin Juta Sdn Bhd	Manufacturing and trading of steel products and construction materials and transport services	Steel bars	10,802	7.60	10
Visibina Sdn Bhd[8]	General trading, building cleaning and laundry services and general contractor	Subcontracted main building works	6,443	4.53	1
T.A. Furniture & Projects Sdn Bhd *(formerly known as T.A. Furniture Industries Sdn Bhd)*[6]	Manufacture and marketing of furniture products	Built-in and loose furnitures	5,472	3.85	less than 1 year
Buildcon Concrete Sdn Bhd[7]	Manufacture and sale of ready-mixed-concrete and related services	Concrete	3,267	2.30	6
Total of top 5 major suppliers			**37,012**	**26.04**	
Group's purchases			**142,152**		

7. BUSINESS OVERVIEW *(cont'd)*

FPE 2022

Major suppliers	Principal activities of major suppliers[2]	Main materials / services purchased	RM'000	% of total purchases	Length of business relationship (Year)[1]
Makin Juta Sdn Bhd	Manufacturing and trading of steel products and construction materials and transport services	Steel bars	8,869	7.67	11
Wee Li Construction (M) Sdn Bhd	Construction of foundation, including pile driving and other specialised construction activities	Subcontracted building works	6,128	5.30	3
Pancaran Bumimas Sdn Bhd	Construction and development	Project management consultancy services	5,651	4.88	1
CK Building Solutions Sdn Bhd	Design, supply and installation of steel structure and roofing walling	Subcontracted steel structure works	3,629	3.14	1
Buildcon Concrete Sdn Bhd	Manufacture and sale of ready-mixed-concrete and related services	Concrete	3,563	3.08	7
Total of top 5 major suppliers			**27,840**	**24.07**	
Group's purchases			**115,689**		

Notes:

(1) Length of relationship is determined as at the respective FYEs or FPE.

(2) Source: Companies Commission of Malaysia.

(3) Includes MK Fong Plumbing Work Sdn Bhd and MK Fong Plumbing & Construction Work, a sole proprietorship owned by the major shareholder of MK Fong Plumbing Work Sdn Bhd.

(4) Skypark Machineries is a related party of our Group. Datuk Liew's brother, Liew Chun Heen and Datuk Liew's brother-in-law, See Chee Kian are the directors and major shareholders of Skypark Machineries holding 80% and 20% equity interest in Skypark Machineries respectively.

(5) Jun Tractor is a related party of our Group. Datuk Liew's brother, Liew Chun Heen and Datuk Liew's sister-in-law, Toh Tze Wooi, are the directors and major shareholders of Jun Tractor, each holding 50% equity interest in Jun Tractor respectively.

(6) The ultimate holding company of T.A. Furniture & Projects Sdn Bhd is Tafi Industries Berhad, which is a company listed on the Main Market of Bursa Securities.

(7) The ultimate holding company of Buildcon Concrete Sdn Bhd is Malayan Cement Berhad, which is a company listed on the Main Market of Bursa Securities.

(8) Visibina Sdn Bhd is not a related party to our Group and its shareholders are third parties who are not related to any of our Directors, Substantial Shareholders or Key Senior Management.

For the Financial Years and Period Under Review, we were not dependent on any suppliers as the subcontracted services and materials are widely available and can be sourced from other suppliers. Our Group does not enter into any long-term agreements with our subcontractors and suppliers as our subcontractors' and suppliers' contracts are usually on contract-to-contract basis which is based on the requirements of the relevant construction contracts.

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7.16 KEY ACHIEVEMENTS AND AWARDS

For the Financial Years and Period Under Review and up to LPD, we obtained the following awards and recognitions:

Year	Key awards and recognition
2019	• Certificate of appreciation awarded by CIDB for being awarded the contract to construct a commercial centre and hotel for Sg. Besi Construction Sdn Bhd.
2020	• Achieved 77% QLASSIC (1) score for the Three33 Residence Project for TSI Domain Sdn Bhd. • Certificate of appreciation awarded by TSI Domain Sdn Bhd in recognition of the contribution to one million safe manhours worked without lost time injury for the Three33 Residence Project. • Certificate of appreciation awarded by Perbadanan Perwira Harta Malaysia in recognition of the contribution to over one million safe manhours worked without lost time injury for the TUDM Army Camp Package 2 Project.
2021	• Certificate of achievement awarded by SME Corp Malaysia and CIDB for achieving 3-star rating (2). The certificate is valid until 22 July 2023. • Certificate of achievement awarded by SME Corp Malaysia and CIDB for achieving 4-star rating (3). The certificate is valid until 30 November 2023. • Certificate of appreciation awarded by Pujaan Harmoni Sdn Bhd in recognition of excellent construction performance.

Notes:

(1) QLASSIC is a system introduced by CIDB to measure and evaluate the quality of workmanship of building construction work based on the Construction Industry Standard from CIDB. QLASSIC serves as a benchmark for the quality of construction works against industry standards based on a scoring system.

(2) Criteria for achieving 3-star rating include good management and technical capabilities, compliance to best practices and good project management.

(3) Criteria for achieving 4-star rating include possessing visionary leadership, efficient management and technical capabilities, compliance to best practices, innovation, good integrated system and management, as well as able to export services to international market.

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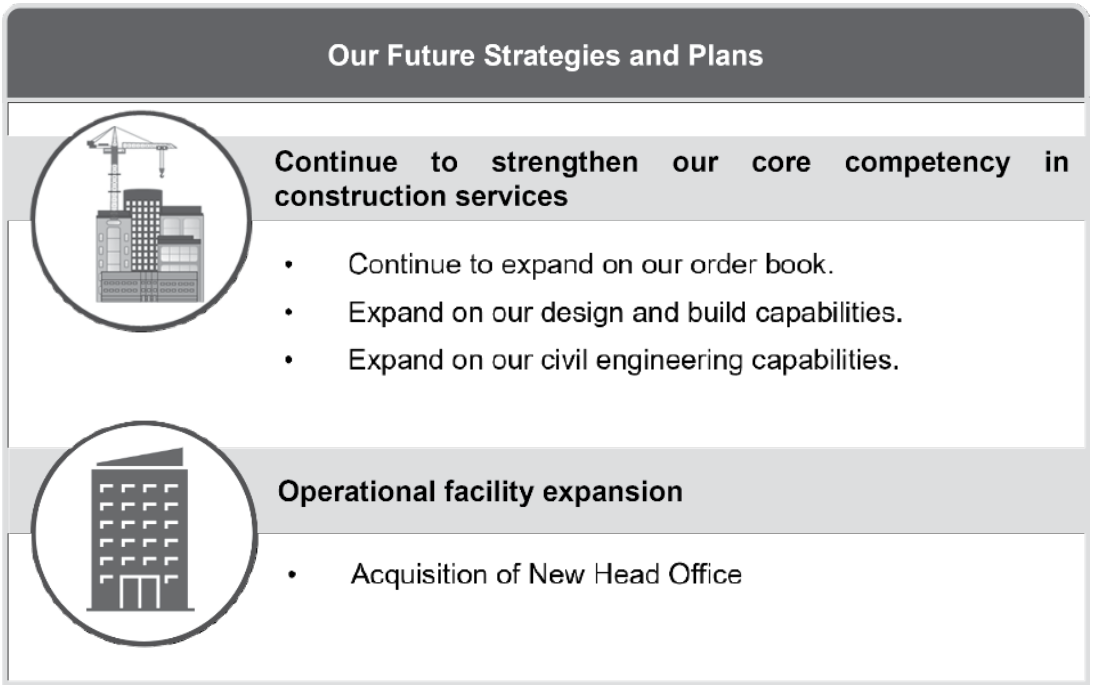
7.17 OPERATIONAL FACILITIES

We operate from the following facilities:

Company	Main Functions	Approximate Built-up Area (sq. ft.)	Location of Facilities
Vestland Resources	Head office and operational office	7,834	D-07-02, D-07-03, D-08-03 to D-08-07, Menara Mitraland, No. 13A, Jalan PJU 5/1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan
Vestland Resources	Storage facility	4,107	Geran Mukim 5952, Lot 994, Pekan Kuang, Daerah Gombak, Selangor Darul Ehsan
Vestland Resources	Operational office	1,441	E-30-3, Lot 30, 3rd Floor, Block E, Kota Kinabalu Times Square, Jalan Coastal, 88000 Kota Kinabalu, Sabah

7.18 STRATEGIES AND PLANS

Moving forward, we will continue to strengthen and leverage from our core competency in building construction as well as continue our expansion into design and build projects to support our business growth. Our strategies and plans are as set out below:



7.18.1 Continue to strengthen our core competency in construction services

(i) Continue to expand on our order book

Our overall business strategy is to continue to build on our prospects and strengthen our position in the market by leveraging on our strengths in building construction. We believe the experience and expertise we have gained from our past projects coupled with our competitive advantages will provide us with the platform to continue to address business opportunities.

As at the LPD, we have a total outstanding order book of RM947.43 million including RM653.62 million from our on-going design and build projects and RM219.54 million from build projects as well as RM74.27 million from civil engineering projects. The order book is expected to be recognised progressively over the next 4 financial years. For further information on our outstanding order book, please refer to Section 12.7 of this Prospectus.

In this respect, our business sustainability and growth are dependent on our ability to secure new contracts to expand on our order book. As at the LPD, we have also participated in tenders and/or submitted proposals for various building construction projects. Additionally, these projects, if awarded, will replenish and enlarge our order book.

In addition, Vestland Resources had on 18 March 2022 entered into a conditional Master Construction Agreement with Splendid Forte Development Sdn Bhd ("**SFD**") to undertake a design and build project in Mukim of Dengkil, District of Sepang, Selangor ("**Selangor Cyber Valley Project**") and Mukim of Bukit Raja, District of Petaling, Selangor ("**Sierra Alam Project**") for an aggregate contract value of up to approximately RM550.69 million. Both the Selangor Cyber Valley Project and Sierra Alam Project involves residential development together with all necessary infrastructures and landscaping, under the state government's affordable housing scheme.

The Selangor Cyber Valley Project involves two phases, namely Selangor Cyber Valley (Phase 1) Project (to be further segregated into Selangor Cyber Valley Phase IA and Selangor Cyber Valley Phase IB) and Selangor Cyber Valley Phase II Project with contract value of RM234.86 million and RM198.50 million respectively. The Sierra Alam Project has a contract value of up to RM117.33 million.

As at the LPD, the Master Construction Agreement remains conditional upon the fulfillment of certain conditions precedent ("**CP**") contained therein, including the execution of the respective joint venture agreements ("**JVAs**") between SFD and the landowner and thereafter the fulfillment of the respective CPs contained in the JVAs by the landowner or SFD. On 28 April 2022, the JVAs have been executed.

The Selangor Cyber Valley (Phase 1) Project, Selangor Cyber Valley Phase II and Sierra Alam Project are not inter-conditional with/upon each other.

As at the LPD, the CPs of the Selangor Cyber Valley (Phase 1) Project has been fulfilled whereas the Selangor Cyber Valley Phase II Project and the Sierra Alam Project are pending fulfillment of the relevant CPs. In this respect, SFD has issued the letter of award for the Selangor Cyber Valley (Phase 1) Project with a contract value of RM234.86 million. The commencement date of our Selangor Cyber Valley (Phase 1) Project is in May 2022. SFD had also issued letter of awards for the Selangor Cyber Valley Phase II Project with a contract value of RM198.50 million and the Sierra Alam Project with a contract value of RM117.33 million, both of which remain conditional upon the fulfillment of the relevant CPs under the JVAs.

Barring any unforeseen circumstances and in accordance with the terms of the JVAs, the respective CPs are expected to be fulfilled within 12 months for the Sierra Alam Project and 18 months for the Selangor Cyber Valley Phase II Project from the date of the respective JVAs. However, there can be no assurance that the CPs can be fulfilled in such time and manner prescribed in the Master Construction Agreement, failing which may result in the termination of the Sierra Alam Project or the Selangor Cyber Valley Phase II Project (as the case may be).

(ii) Growing our business by tapping on our design and build capabilities

Part of our strategy is to grow our business by tapping on our design and build segment to address opportunities in both the residential and non-residential building sector by focusing our efforts to market our design and build capabilities to prospective customers as well as continue to proactively follow up on submitted tenders. In addition, we will leverage on our business relationships with our existing customers as a platform to explore opportunities in design and build projects.

As at LPD, we have 8 on-going design and build projects with an aggregated contract value of RM883.68 million and these projects are expected to be completed progressively from 2022 and up to 2026. With the completion of these projects, it will serve as a reference site for prospective customers.

As at the LPD, we have submitted tenders for building construction projects consisting of residential building projects and these projects will potentially contribute to our future order book.

(iii) Expand order book by applying our civil engineering capabilities

Part of our strategy is to expand our civil engineering services by focusing our marketing efforts and demonstrating our capabilities in this area with existing and potential customers. In addition, we will use our completed civil engineering works as a reference site to pursue opportunities. In FYE 2021 and FPE 2022, civil engineering services contributed 1.36% (RM2.33 million) and 1.70% (RM2.38 million) of our revenue for the FYE 2021 and FPE 2022 respectively. In 2021, the value of construction work done amounted to approximately RM112.0 billion in Malaysia. In 2021, civil engineering subsector continued to remain as one of the main contributors at 39.1% or RM43.8 billion of the total construction works completed in Malaysia. This was followed by residential buildings, non-residential buildings and specialised construction which accounted for 24.0% (RM26.8 billion), 28.0% (RM31.4 billion) and 8.9% (RM10.0 billion) respectively of the total construction works completed in Malaysia. *(Source: IMR report)*

For the Financial Years and Period Under Review and up to the LPD, we have completed 3 projects in civil engineering works with a total contract value of RM5.91 million. As at the LPD, we have 3 on-going projects in civil engineering works. For further information on our completed and on-going projects in civil engineering works, please refer to Section 7.4.3.1 of this Prospectus.

For information purposes, our current future strategies and plans as disclosed above does not involve acquisition of any companies.

7.18.2 Operational facility expansion

Our existing head office is on rented premises in Petaling Jaya, Selangor. In line with our business expansion, we had on 23 September 2021 and 19 January 2022 entered into sale and purchase agreements with Sg. Besi Construction Sdn Bhd (being the developer and our customer) to acquire a New Head Office at The Glenz Mixed Commercial Development Project located at No. 6, Jalan Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor, for a total consideration of RM9.38 million. The construction of the New Head Office has been completed in March 2022.

The New Head Office will comprise 12 office suites with an aggregated built-up area of 10,803 sq. ft. compared to our current rented premises with an aggregated built-up area of 7,834 sq.ft. The number of employees who are based at our Rented Office has increased from 25 as at 31 December 2019 to 51 as at the LPD. The New Head Office is also designed to accommodate a larger number of workstations for our expanded workforce as well as additional meeting rooms. For further information on the New Head Office and method of financing, please refer to Section 4.5.1 of this Prospectus.

The CCC for the New Head Office has been obtained in November 2022 and as at the LPD, we have submitted the renovation layout plan to Majlis Bandaraya Shah Alam for approval. The indicative timeline for the relocation to the New Head Office is as follow:

Timeline	Details
December 2022	Receipt of renovation layout plan approval Commencement of renovation and furnishing works
First quarter of 2023	Completion of renovation and furnishing works Commencement of relocation from Rented Office Commencement of operations at New Head Office

7.19 ADDITIONAL DISCLOSURE

On 14 April 2021, the IRB (Klang Investigation Branch) initiated a tax investigation on Vestland Resources for the years of assessment ("**YA**") 2018, 2019 and 2020 ("**Tax Investigation**") by a notice issued to Vestland Resources pursuant to Section 80 of the Income Tax Act, 1967 ("**ITA**").

On 16 April 2021, Vestland Resources had appointed a tax consultant from Imran Teh and Associates PLT ("**Tax Consultant**") as its representative to liaise with the IRB on all matters in relation to the Tax Investigation.

During the course of the Tax Investigation, Vestland Resources had via the Tax Consultant, provided all supporting documents requested by the IRB, including amongst others, listings for professional fees and travelling expenses and breakdown of project expenses as well as explanations and replies to queries raised by the IRB in respect of the deductibility of certain expenses for YA 2018 to YA 2020 via email correspondences to facilitate the Tax Investigation. Upon completion of the Tax Investigation by the IRB, the IRB disagreed on certain deduction of expenses for tax computation purposes such as contingency expenses for the potential delay in construction work due to COVID-19 and legal fees incurred for bank borrowings made previously by Vestland Resources which resulted in an understatement of tax payable amounting to approximately RM1.05 million for YA 2018 to YA 2020.

On 30 April 2021, Vestland Resources entered into an agreement with the IRB (which was duly executed by the directors of Vestland Resources on 30 April 2021 and by the representative of the IRB on 6 May 2021) pursuant to Section 96A(1) of the ITA ("**IRB Agreement**"). Pursuant to the IRB Agreement, Vestland Resources and the IRB have agreed that for the purpose of Section 96A of the ITA, Vestland Resources shall pay, in full settlement of a total sum of RM1.52 million ("**Additional Income Tax and Penalties**") comprising the following:

(i) RM1,048,238.64, being the tax, which has not been charged or has been undercharged on Vestland Resources for YA 2018 to YA 2020 in consequence of understatement of income; and

(ii) RM471,761.36, being the tax penalties, which Vestland Resources is required to pay for YA 2018 to YA 2020 pursuant to Section 113(2) of the ITA.

It was agreed under the terms of the IRB Agreement that the Additional Income Tax and Penalties shall be paid by Vestland Resources in accordance with the following payment schedule:

(a) an initial payment of RM440,000.00 on or before 1 May 2021 ("**Initial Sum**"); and

(b) 36 monthly instalments of RM30,000.00 payable on the 1st day of each month commencing from June 2021 ("**Remaining Sum**")

(collectively, the "**Payment Schedule**").

Vestland Resources also provided to the IRB a cheque dated 1 May 2021 for the amount of RM440,000.00 (being the payment of the Initial Sum) and 36 post-dated cheques for the amount of RM30,000.00 each (being the payment of the Remaining Sum) in accordance with the Payment Schedule.

Subsequently, the IRB had on 7 May 2021 issued a notice of composite assessment pursuant to Section 96A of the ITA ("**Notice of Composite Assessment**") to Vestland Resources for YA 2018 to YA 2020. For information purposes, a composite assessment made under Section 96A(6) of the ITA is a final and conclusive assessment by the IRB for purposes of the ITA.

On 10 May 2021, the IRB issued a settlement letter to Vestland Resources, setting out amongst others, the Payment Schedule.

As at the LPD, Vestland Resources has not dishonoured any of the post-dated cheques provided to the IRB. Pursuant to the Notice of Composite Assessment, in the event of any default or late payment of the Remaining Sum, the Remaining Sum which is unpaid will be increased by ten percent of the unpaid amount and the full unpaid amount will become immediately payable.

Our Board is of the view that the Additional Income Tax and Penalties do not have a material financial impact to our Group as our Group has sufficient cash generated from operations to repay the Additional Income Tax and Penalties, and the Remaining Sum of RM1.08 million will be paid in 36 monthly instalments. Therefore, such non-compliances do not have any material adverse impact on the business operations or the financial condition of our Group.

Having said that, our Board recognises the need to ensure full compliance at all times with prevailing tax laws, regulations and rulings (including tax practices and requirements relating to permissible deductible expenses) and accordingly after consideration, the following measures will be adopted and adhered to going forward to prevent/mitigate any recurrence of such incident:

(aa) greater detail will be recorded in the accounting ledger description for each of our Group's transactions, particularly for purposes of identifying tax deductible and non-deductible expenses;

(bb) to engage external tax consultants to review tax computations whenever any uncertainty arises with regards to the tax deductibility of expenses as well as to advise on all tax-related matters that are subject to any doubt or ambiguity, as and when required; and

(cc) the Audit and Risk Management Committee to monitor and ensure continued compliance with relevant tax laws, regulations and rulings by our Group.

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Tel: (603) 7931-3188
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Website: www.vitalfactor.com

29 November 2022

The Board of Directors
Vestland Berhad
D-08-03, Menara Mitraland
13A, Jalan PJU 5/1
Kota Damansara
47810 Petaling Jaya

Dear Sirs and Madam

Independent Assessment of the Construction Industry in Malaysia

We are an independent business consulting and market research company in Malaysia. We commenced our business in 1993 and, among others, our services include the development of business plans incorporating financial assessments, information memorandums, commercial due diligence, feasibility and financial viability studies, and market and industry studies. We have been involved in corporate exercises since 1996, including initial public offerings and reverse takeovers for public listed companies on Bursa Malaysia Securities Berhad (Bursa Securities), acting as the independent business and market research consultants.

We have been engaged to provide an independent industry assessment on the above for inclusion into the prospectus of Vestland Berhad concerning its proposed listing on the ACE Market of Bursa Securities. We have prepared this report independently and objectively and had taken all reasonable consideration and care to ensure the accuracy and completeness of the report. It is our opinion that the report represents a true and fair assessment of the industry within the limitations of, among others, availability of up-to-date information, secondary information and primary market research. Our assessment is for the overall industry and may not necessarily reflect the individual performance of any company. We do not take any responsibility for the decisions or actions of readers of this document. This report should not be taken as a recommendation to buy or not to buy the securities of any company.

Our report may include assessments, opinions and forward-looking statements, which are subject to uncertainties and contingencies. Note that such statements are made based on, among others, secondary information and primary market research, and after careful analysis of data and information, the industry is subject to various known and unforeseen forces, actions and inactions that may render some of these statements to differ materially from actual events and future results.

Yours sincerely

Wong Wai Ling
Director

Wong Wai Ling has a Bachelor of Arts degree from Monash University, Australia and a Graduate Diploma in Management Studies from the University of Melbourne, Australia. She has more than 20 years of experience in business consulting and market research including initial public offerings for companies seeking listings on Bursa Securities.

VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Date of Report: 29 November 2022

INDEPENDENT ASSESSMENT OF THE CONSTRUCTION INDUSTRY IN MALAYSIA

1. INTRODUCTION

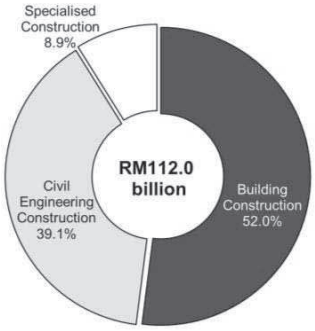
- Vestland Berhad, together with its subsidiary, (herein referred to as Vestland Group) is mainly involved in the construction of residential and non-residential buildings focusing in Selangor and Kuala Lumpur in Malaysia, which will form the focus of this report. Residential buildings include apartments and landed residential buildings, while non-residential buildings include mixed-use commercial buildings, purpose-built offices, industrial buildings, serviced apartments, hostels and hotels. Vestland Group is involved in the construction of both private and public sector projects. As part of Vestland Group's strategies to be involved in the civil engineering sector, this report will also provide some coverage of the sector.

2. OVERVIEW OF THE CONSTRUCTION INDUSTRY

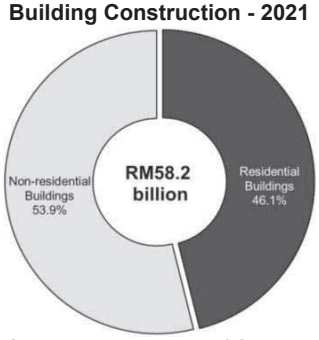
2.1 Structure of the Construction Industry

- Generally, the construction industry in Malaysia can be segmented into the following sectors:
  - **Building construction** comprises the construction of residential and non-residential buildings including new works, repairs, additions, alterations and erection of prefabricated buildings and structures.
  - **Civil engineering construction** refers to the construction of infrastructure for public use including roads, railways, bridges, seaports, airports and utility projects such as power plants, pipelines, power lines, communications lines, reservoirs and sewerage systems.
  - **Specialised construction** encompasses the construction of parts of buildings and civil engineering works without the responsibility of the entire project. It is usually specialised in one aspect common to different structures which require specialised skills or equipment. Some of the examples of specialised construction activities include demolition, piling and foundation works, concrete works, bricklaying, scaffolding, installation of utilities, and building completion such as plastering, glazing, wall and floor tiling, painting and carpentry.

Construction Industry - 2021



Building Construction - 2021



(Source: Department of Statistics (DOSM))

- Industrialised building system (IBS) such as precast concrete system and formwork system are used for the production of building components such as columns, beams, slabs, walls and roof trusses which require little additional site work once installed. This means faster completion times, greater productivity, reduced wastage, fewer accidents and overall lower construction costs. In an effort to increase the adoption of IBS, the Government mandated the use of IBS in government projects valued at RM10 million and above, and private sector projects valued at RM50 million and above, with a minimum IBS score of 70% and 50% respectively.

- Vestland Group mainly operates in the building construction segment and uses formwork system, while a small proportion of their business is in civil engineering works including earthworks.

2.2 Building Construction and Civil Engineering Construction Segmentation

- The building construction sector is segmented as follows:
  - **Residential buildings**, which are used for dwelling purposes and include landed, low-rise and high-rise residential buildings.

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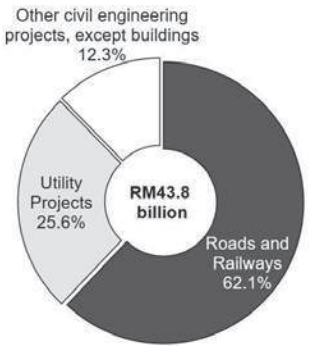
- **Non-residential buildings**, which mainly comprise commercial, industrial, leisure and institutional buildings such as government, educational and healthcare facilities.

- The civil engineering construction sector is segmented as follows:
  - **Roads and railways**, which mainly comprise motorways, streets, roads, other vehicle and pedestrian ways, bridges, tunnels, railways and subways, as well as airfield/airport runways.
  - **Utility projects**, which mainly include pipelines, communication and power lines, reservoirs, irrigation systems, sewer systems and sewage disposal plants, power plants as well as water main and line construction.
  - **Other civil engineering projects, except buildings**, mainly comprised refineries, waterways, harbour and river works, pleasure ports, locks, dams and dykes, dredging of waterways, outdoor sports facilities and land subdivision with land improvement.

Civil Engineering Construction - 2021



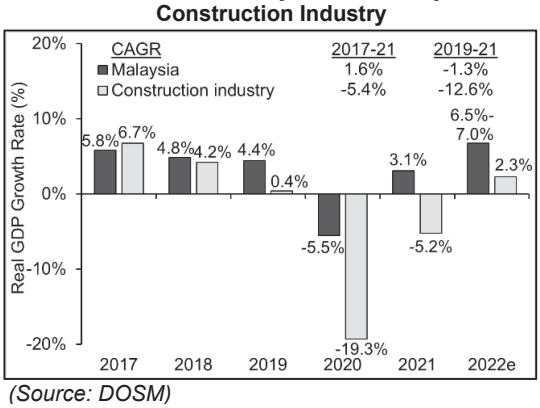
(Source: DOSM)

3. PERFORMANCE OF THE CONSTRUCTION INDUSTRY

3.1 Real Gross Domestic Product (GDP) of Malaysia's Economy and the Construction Industry

- Real GDP is a measurement of the gross value added in the output of goods and services indicating its overall size in monetary terms without the effects of inflation or deflation. In 2020, the real GDP of the construction industry and Malaysia's economy declined by 19.3% and 5.5% respectively as a result of containment measures following the COVID-19 pandemic.

Real GDP Growth of Malaysia's Economy and the Construction Industry



(Source: DOSM)

- In 2021, Malaysia's economy recovered to grow by 3.1% despite the reimposition of containment measures as more essential economic sectors were allowed to operate. For the first 9 months of 2022, real GDP of Malaysia grew by 9.3% compared to the corresponding period in 2021 *(Source: DOSM)*. The real GDP of Malaysia's economy is estimated to grow between 6.5% and 7.0% in 2022, underpinned by growth in the domestic economy, steady expansion in the external sector and continued improvement in labour market conditions. In 2023, real GDP of Malaysia is forecasted to grow between 4.0% and 5.0%. *(Source: Ministry of Finance (MoF))*

- In 2021, the construction industry declined by 5.2% as the industry faced limitations on operating capacity due to movement restrictions and foreign labour shortages which was exacerbated by the closure of international borders arising from the COVID-19 pandemic *(Source: Bank Negara Malaysia (BNM))*. For the first 9 months of 2022, real GDP of the construction industry grew by 3.3% compared to the corresponding period in 2021 *(Source: DOSM)*. The real GDP of the construction industry is estimated to grow by 2.3% in 2022 and forecasted to grow by 4.7% in 2023 following a better performance in all subsectors, supported by the implementation and acceleration of infrastructure projects, approved investment projects in the manufacturing sector, construction of affordable houses and Government incentives that encourage homeownership. *(Source: MoF)*

3.2 Construction Work

- The value of construction work completed indicates the overall performance of the construction industry including the residential, non-residential and civil engineering segments.

Value of Construction Work Completed by Sectors

	2017	2018	2019	2020	2021	Change	CAGR	CAGR
			RM million			(2020-21)	(2017-21)	(2019-21)
Malaysia(1)	**138,452**	**145,547**	**146,372**	**117,918**	**111,982**	**-5.0%**	**-5.2%**	**-12.5%**
Residential	39,317	36,592	35,752	29,609	26,845	-9.3%	-9.1%	-13.3%
Non-residential	41,552	41,201	37,558	31,127	31,391	0.8%	-6.8%	-8.6%
Civil engineering	51,087	60,593	65,599	49,878	43,830	-12.1%	-3.8%	-18.3%
Federal Territories(1,2)	**27,836**	**29,433**	**33,701**	**27,154**	**22,022**	**-18.9%**	**-5.7%**	**-19.2%**
Residential	10,582	9,985	9,675	7,998	6,993	-12.6%	-9.8%	-15.0%
Non-residential	8,648	9,376	10,161	8,072	7,748	-4.0%	-2.7%	-12.7%
Civil engineering	7,155	8,548	12,453	9,932	5,471	-44.9%	-6.5%	-33.7%
Selangor (1)	**31,511**	**31,965**	**36,753**	**31,098**	**27,827**	**-10.5%**	**-3.1%**	**-13.0%**
Residential	11,548	10,028	9,388	8,484	8,468	-0.2%	-7.5%	-5.0%
Non-residential	9,962	8,481	9,047	7,879	7,182	-8.9%	-7.9%	-10.9%
Civil engineering	8,966	11,820	16,708	12,864	10,028	-22.0%	2.8%	-22.5%
Total (1)	**138,452**	**145,547**	**146,372**	**117,918**	**111,982**	**-5.0%**	**-5.2%**	**-12.5%**

Notes: CAGR = Compound annual growth rate; (1) Total comprises residential, non-residential, civil engineering and specialised construction (not separately presented in the table); (2) Includes Kuala Lumpur, Putrajaya and Labuan. Notes: (a) All units in RM million except percentages; (b) Total may not add up due to rounding; (c) All construction work completed referred to in this section covers all main contractors with project value of RM500,000 and above, and are registered with CIDB (Source: DOSM).

- In 2021, the residential and non-residential sectors collectively accounted for 52.0% of the construction work completed in Malaysia. In 2021, the value of construction work completed in Malaysia for the residential segment declined by 9.3%, while the non-residential segment grew by 0.8% compared to 2020. In the Federal Territories and Selangor, the value of construction work completed declined by 18.9% and 10.5% respectively in 2021 compared to the previous year. The decline in the construction work completed in 2021 was mainly due to the COVID-19 containment measures including limitations on operating capacity.

- In 2021, the value of civil engineering construction work completed in Malaysia decreased by 12.1% compared to the previous year. Roads and railways represented 62.1% of the total value of civil engineering construction work completed in 2021, followed by utility and other civil engineering projects at 25.6% and 12.3% respectively in Malaysia *(Source: DOSM).* Government spending will continue to be a major driver of growth for the civil engineering sector. For further information on major infrastructure projects under Budget 2022, please refer to Section 8 of this report. For the first 9 months of 2022, the value of construction work completed in Malaysia for the residential and non-residential segments grew by 2.8% and 18.6% respectively compared to the corresponding period in 2021. Civil engineering construction work completed in Malaysia for the first 9 months of 2022 declined by 2.7% compared to the corresponding period in 2021. In Federal Territories and Selangor, the value of construction work completed declined by 4.7% and 1.0% respectively for the first 9 months of 2022 compared to the corresponding period in 2021 mainly contributed by the decline in the residential and civil engineering segments. *(Source: DOSM)*

3.3 Construction Work Completed by Public and Private Sector

- Public sector projects include those that are undertaken by the government or public corporations. Public corporations consist of statutory bodies and non-statutory bodies which can operate and manage government projects more independently.

Value of Construction Work Completed by Project Owner

	2017	2018	2019	2020	2021	Change	CAGR	CAGR
			RM million			(2020-21)	(2017-21)	(2019-21)
Private sector (1)	**87,625**	**83,067**	**81,071**	**65,115**	**62,364**	**-4.2%**	**-8.2%**	**-12.3%**
Residential	37,425	34,395	32,777	27,258	25,224	-7.5%	-9.4%	-12.3%
Non-residential	32,118	29,414	27,988	23,808	23,622	-0.8%	-7.4%	-8.1%
Civil engineering	14,123	14,956	15,676	9,855	7,566	-23.2%	-14.4%	-30.5%
Public sector (1, 2)	**50,827**	**62,480**	**65,301**	**52,803**	**49,619**	**-6.0%**	**-0.6%**	**-12.8%**
Residential	1,892	2,197	2,975	2,351	1,621	-31.0%	-3.8%	-26.2%

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	2017	2018	2019	2020	2021	Change (2020-21)	CAGR (2017-21)	CAGR (2019-21)
			RM million					
Non-residential	9,434	11,787	9,570	7,318	7,769	6.2%	-4.7%	-9.9%
Civil engineering	36,964	45,636	49,923	40,023	36,264	-9.4%	-0.5%	-14.8%
Total (1)	**138,452**	**145,547**	**146,372**	**117,918**	**111,982**	**-5.0%**	**-5.2%**	**-12.5%**

Notes: CAGR = Compound annual growth rate; (1) Total comprises residential, non-residential, civil engineering and specialised construction (not separately presented in the table); (2) Public sector includes Government and public corporations. Note: (a) All construction works completed cover all main contractors with project value of RM500,000 and above, and are registered with CIDB (Source: DOSM).

- In 2021, private sector projects accounted for 55.7% of the total value of construction work completed in Malaysia. The value of construction work completed by the private and public sectors continued to decline by 4.2% and 6.0% respectively.

- In 2021, public sector projects represented 82.7% of the total value of civil engineering construction work completed in Malaysia. The civil engineering sector was largely driven by Government spending, supported by major infrastructure projects under the Budget 2021 including, among others, the construction of the Pan Borneo highway, Gemas-Johor Bahru Electrified Double-Tracking project and Klang Valley Double Tracking Project Phase 1 as well as the continuation of the Rapid Transit System (RTS) Link from Johor Bahru to Woodlands, Singapore and Mass Rapid Transit 3 (MRT3) in Klang Valley, all of which amounted to a collective value of RM15.0 billion. For the first 9 months of 2022, the value of construction work completed by the private sector grew by 15.5% while the public sector declined by 4.2% compared to the corresponding period in 2021 *(Source: DOSM)*.

4. PERFORMANCE OF THE PROPERTY DEVELOPMENT INDUSTRY

- The building construction industry is also dependent on the performance of the property development industry. The following section assesses the performance of the said industry.

4.1 Residential Property Transactions

Residential Property Transactions*

	2017	2018	2019	2020	2021	Change (2020-21)	CAGR (2017-21)	CAGR (2019-21)
Malaysia								
Volume (Units)	194,684	197,385	209,295	191,354	198,812	3.9%	0.5%	-2.5%
Value (RM mil)	68,463	68,748	72,407	65,874	76,902	16.7%	2.9%	3.1%
Kuala Lumpur								
Volume (Units)	10,856	10,983	11,100	10,606	11,129	4.9%	0.6%	0.1%
Value (RM mil)	9,693	9,259	8,339	8,238	9,692	17.6%	0.0%	7.8%
Selangor								
Volume (Units)	47,551	47,715	51,981	44,034	48,755	10.7%	0.6%	-3.2%
Value (RM mil)	22,584	22,983	25,432	21,722	26,491	22.0%	4.1%	2.1%

** Includes sales of new and sub-sale properties. (Source: National Property Information Centre, NAPIC)*

- In 2020, the volume of residential property transactions (including new and secondary properties) in Malaysia declined by 8.6% due to the adverse impact of the COVID-19 pandemic. In 2021, the volume of residential properties transacted in Malaysia recovered to grow by 3.9%, mainly supported by the uptrend in the volume of transactions recorded in, among others, Kuala Lumpur and Selangor *(Source: NAPIC)*. Selangor contributed the highest volume at 24.5% or 48,755 transactions of the total number of residential property transactions. In 2021, the growth in the residential sector in Malaysia was supported by the extended homeownership campaign to encourage first home buyers.

- In 2021, the increase in the volume of residential properties transacted in Kuala Lumpur by 4.9% was mainly contributed by properties priced above RM1.0 million. Meanwhile, the increase in the volume of residential properties transacted in Selangor by 10.7% was mainly contributed by properties priced between RM300,001 and RM500,000. In 2021, residential properties priced at RM300,000 and below were the highest contributor which represented 29.3% and 36.9% of the total volume of residential properties transacted in Kuala Lumpur and Selangor respectively. For

the first 9 months of 2022, the volume of residential properties transacted in Malaysia, Kuala Lumpur and Selangor grew by 34.6%, 23.1% and 28.9% respectively compared to the corresponding period in 2021. *(Source: NAPIC)*

4.2 Commercial Properties Transactions

Commercial Properties Transactions *

	2017	2018	2019	2020	2021	Change (2020-21)	CAGR (2017-21)	CAGR (2019-21)
Malaysia								
Volume (Units)	22,162	23,936	25,654	20,255	22,428	10.7%	0.3%	-6.5%
Value (RM mil)	25,439	29,514	28,985	19,530	27,941	43.1%	2.4%	-1.8%
Kuala Lumpur								
Volume (Units)	3,238	4,079	3,974	3,072	3,251	5.8%	0.1%	-9.6%
Value (RM mil)	8,468	11,692	8,562	4,785	8,945	86.9%	1.4%	2.2%
Selangor								
Volume (Units)	5,154	5,431	6,394	4,779	6,021	26.0%	4.0%	-3.0%
Value (RM mil)	6,612	7,058	9,014	5,420	7,056	30.2%	1.6%	-11.5%

**include sales of new and sub-sale properties. (Source: NAPIC)*

- In 2021, commercial properties (including new and secondary properties) in Malaysia registered an increase of 10.7% in volume mainly due to an increase in transactions involving shop lots and serviced apartments. Kuala Lumpur and Selangor collectively contributed 41.3% to the total volume of commercial properties transacted in Malaysia. In 2021, the volume of commercial properties transacted in Kuala Lumpur and Selangor grew by 5.8% and 26.0% respectively mainly due to transactions involving serviced apartments. For the first 9 months of 2022, the volume of commercial properties transacted in Malaysia, Kuala Lumpur and Selangor grew by 54.2%, 56.6% and 60.1% respectively compared to the corresponding period in 2021 *(Source: NAPIC).*

4.3 Future Supply

- Information on the future supply of properties can be used to indicate the demand for building construction work. The future supply consists of planned properties with building plan approvals and incoming supply comprising buildings where construction has started but has not yet been completed. Generally, the main contractor for a construction project will be appointed after the submission and approval of building plans.

Future Supply of Residential and Commercial Properties

	Residential Supply (units)			Commercial Supply (units)		
	Incoming	Planned	Future	Incoming	Planned	Future
Malaysia						
2019	443,161	441,309	884,470	147,405	198,724	346,129
2020	434,807	429,985	864,792	164,871	182,242	347,113
2021	418,501	423,296	841,797	193,319	178,469	371,788
Change (2020-21)	-3.8%	-1.6%	-2.7%	17.3%	-2.1%	7.1%
CAGR (2019-21)	-2.8%	-2.1%	-2.4%	14.5%	-5.2%	3.6%
Kuala Lumpur						
2019	46,384	62,665	109,049	45,617	88,900	134,517
2020	53,274	59,798	113,072	55,934	75,652	131,586
2021	43,119	64,117	107,236	74,268	65,961	140,229
Change (2020-21)	-19.1%	7.2%	-5.2%	32.8%	-12.8%	6.6%
CAGR (2019-21)	-3.6%	1.2%	-0.8%	27.6%	-13.9%	2.1%
Selangor						
2019	103,286	79,836	183,122	56,923	21,792	78,715
2020	102,919	84,531	187,450	63,093	23,978	87,071
2021	106,173	79,995	186,168	72,645	29,023	101,668
Change (2020-21)	3.2%	-5.4%	-0.7%	15.1%	21.0%	16.8%
CAGR (2019-21)	1.4%	0.1%	0.8%	13.0%	15.4%	13.6%

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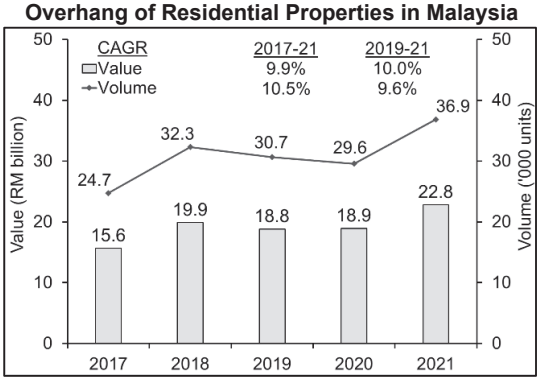
Commercial units include serviced apartments, small office home office (SOHO) and purpose-built offices, which are mainly high-rise buildings; Future supply = incoming supply + planned supply. (Source: NAPIC)

- In 2021, future supply of residential properties in Malaysia declined by 2.7%, while commercial properties increased by 7.1%. In Kuala Lumpur and Selangor, future supply of residential properties declined by 5.2% and 0.7%, while commercial properties increased by 6.6% and 16.8% respectively. Future supply of residential properties declined across Malaysia, Kuala Lumpur and Selangor by 8.6%, 22.1% and 12.7% respectively in third quarter (Q3) of 2022 compared to Q3 2021. Meanwhile for commercial properties, future supply in Malaysia and Kuala Lumpur declined by 3.0% and 10.7% respectively while Selangor grew by 3.0% in Q3 2022 compared to Q3 2021. *(Source: NAPIC)*

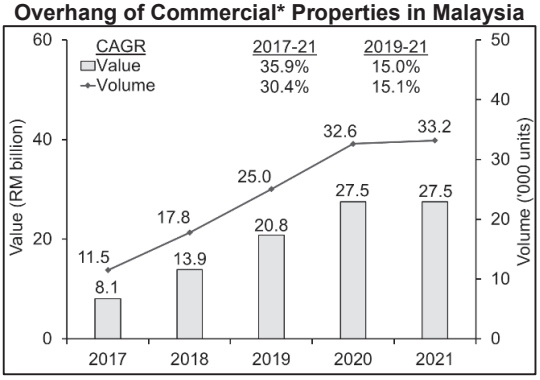
4.4 Overhang Properties

- Overhang properties are defined as properties that have been completed yet remained unsold for more than nine months after they were launched. A high level of overhang properties is likely to dampen activities in building construction as developers may be discouraged from developing new properties until such a time the overhang situation improves.

Overhang of Residential Properties in Malaysia



Overhang of Commercial* Properties in Malaysia



** Include shops, SoHo and serviced apartment. (Source: NAPIC)*

- In Malaysia, the volume of residential property overhang increased by 24.7% in 2021. This is despite various government initiatives such as Home Ownership Campaign (HOC) which was insufficient to counter the impact of the disruptions from the COVID-19 pandemic as well as a reflection of pre-existing affordability issues in the housing market which have since worsened as consumer incomes were affected by the pandemic *(Source: BNM)*. High-rise properties represented 60.8% of the total volume of residential property overhang in 2021. Meanwhile, in 2021, the volume of commercial property overhang increased at a lower rate of 1.8%. In 2021, serviced apartments accounted for 73.2% of the total volume of commercial property overhang in Malaysia.

- In 2021, the volume of residential property overhang in Kuala Lumpur and Selangor increased in tandem with Malaysia by 29.3% and 24.7% respectively. High-rise buildings accounted for 98.8% and 68.0% of the total overhang residential units in Kuala Lumpur and Selangor respectively in 2021. Within high-rise, residential properties, properties priced between RM500,001 and RM1.0 million accounted for 44.9% of the total high-rise residential property overhang in Kuala Lumpur while properties priced at RM300,000 and below accounted for 38.1% of the total high-rise residential property overhang in Selangor. As for the volume of commercial property overhang, Kuala Lumpur recorded a lower increase of 7.9%, while Selangor registered a slight improvement in overhang with a decline of 0.3% in 2021. *(Source: NAPIC)*

- Various government initiatives have been implemented to address the property overhang and some of these include HOC which was initially launched in 2019 and reintroduced in 2020 before it was extended to end of 2021. The benefits include among others, a 10% discount by property developers and stamp duty exemptions for residential properties priced between RM300,000 to RM2.5 million. The stamp duty exemption on the instrument of transfer was limited to the first RM1 million of the property price while the remaining balance was charged at 3%. Meanwhile, full stamp duty exemption was given on the loan agreement. The volume of residential property

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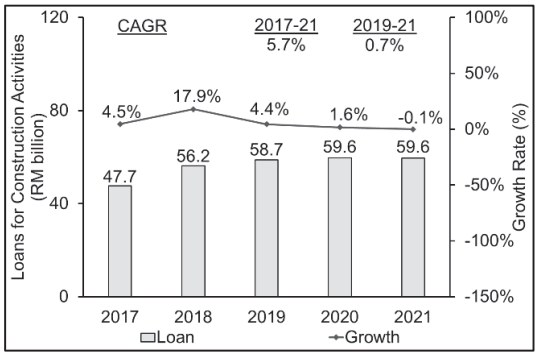
overhang in Malaysia and Kuala Lumpur declined by 2.7% and 13.0% respectively while Selangor increased by 29.9% in Q3 2022 compared to Q3 2021. As for commercial property overhang in Q3 2022, the volume in Malaysia and Selangor declined by 2.4% and 7.4% respectively while the volume in Kuala Lumpur increased by 20.0% compared to Q3 2021. *(Source: DOSM)*

5. DEMAND DEPENDENCIES

5.1 Availability of Loans for Construction

- The performance of the construction industry is dependent on the availability of loans to fund construction activities, while the availability of loans is dependent on factors such as liquidity in the market, financial institutions' internal lending policies, the Government and BNM's policies and guidelines. Between 2019 and 2021, loans for construction activities grew marginally at a CAGR of 0.7%. As at September 2022, loans for construction activities fell by 3.0% compared to September 2021 mainly contributed by the decline in loans to the residential and civil engineering segments.

Loans for Construction Activities



(Source: BNM)

5.2 Monetary and fiscal policies

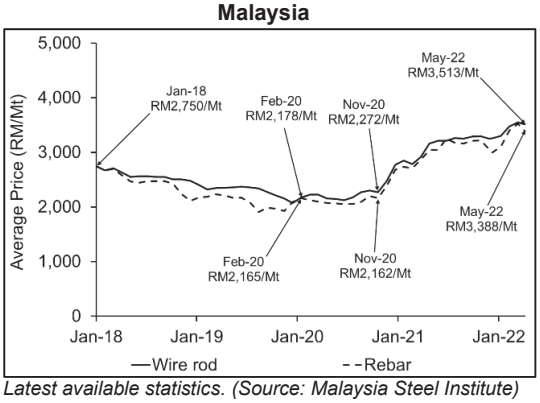
- Monetary and fiscal policies include interest rates, money supply, lending policies, balance of payments, and consumer price index, where low-interest rates and favourable lending policies will stimulate the development and purchases of properties. In 2020, BNM had reduced the Overnight Policy Rate (OPR) by a total of 125 basis points (bps) to 1.75% and has kept the rate unchanged since to support the domestic economic recovery. Subsequently, BNM raised the OPR to 2.75% as of 3 November 2022. The higher OPR translates to higher borrowing cost for buyers of properties.

6. SUPPLY DEPENDENCIES

6.1 Building Materials

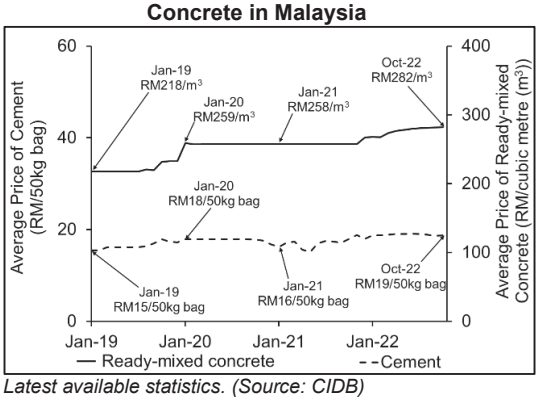
- The cost of building materials may affect companies in the construction industry as building materials represent a significant proportion of the overall construction cost.

Average Price of Wire Rods and Rebars in Malaysia



Latest available statistics. (Source: Malaysia Steel Institute)

Average Price of Cement and Ready-mixed Concrete in Malaysia



Latest available statistics. (Source: CIDB)

- Long steel products including bars, wire rods and sections are commonly used in the construction industry. Between January 2018 and November 2020, the average price of wire rods and rebars fluctuated around the average price of RM2,378/Mt and RM2,240/Mt respectively, before experiencing an uptrend thereafter. The surge in the average price of wire rods and rebars was mainly contributed by the demand arising from the global economic recovery, increase in the prices of raw materials such as iron ore and steel scrap, rising energy

costs and extended lead time due to logistics disruptions. Overall, the average price of wire rods and rebars increased by 61.3% and 56.5% respectively in May 2022 as compared to February 2020 prior to the COVID-19 pandemic. The higher prices of wire rods and rebars may lead to an increase in overall construction cost.

- Meanwhile, the average price of cement remained relatively stable with minimal fluctuations as cement is listed as part of controlled goods. As cement serves as an input for the production of ready-mixed concrete, the average price movement of ready-mixed concrete is largely aligned with that of cement. As of October 2022, the average price of cement was RM19/50kg bag, while the average price of ready-mixed concrete was RM282/m^3.

6.2 Labour supply

- The construction industry is one of the major employers of foreign workers. The retrenchment of foreign workers during the lockdowns and initiatives to send foreign workers back to their home country, coupled with the hiring freeze of foreign labour to create employment opportunities for local workers, have contributed to a shortage of labour across various sectors including plantation and agriculture, construction and manufacturing. Since 15 February 2022, the recruitment of foreign workers is permitted in selected sectors including among others, manufacturing, construction and agriculture.

7. COMPETITIVE ANALYSIS

7.1 Factors of competition

- The construction industry operates within a free enterprise environment where supply, demand and pricing of products and services are mainly determined by market forces rather than Government's intervention. Some of the factors that impact on the intensity of competition are as follows:
  - **Number of operators in the industry:** The number of operators affects the intensity of competition. Operators are required to register with CIDB under a grading system ranging from Grade 1 to Grade 7. Each grade has pre-qualifying conditions and the maximum value of projects that operators in that grade are allowed to carry out. Grade 7 is the highest grade under the CIDB Contractor Grade, which enables a company to undertake construction projects of any size and value. As of 29 November 2022, there were 125,403 local building contractors registered with CIDB, of which 8,856 were Grade 7 building contractors. Out of the 8,856 G7 building contractors, 3,066 and 1,646 of them are based in Selangor and Kuala Lumpur respectively. Vestland Group is a CIDB Grade 7 building contractor.
  - **Number and value of construction projects available:** The size of the construction market in terms of the number and value of projects, relative to the number of operators in the market has a bearing on competitive intensity. In 2021, the value of construction work completed was RM112.0 billion. Building construction represented 52.0% market share by value, while civil engineering and specialised construction sectors made up 39.1% and 8.9% of the total value of construction work completed respectively.

7.2 Industry Players

The following is a selection of the public listed companies involved in the construction industry in Malaysia and Vestland Group, sorted in descending order of revenue.

	Project Location									
Company Name	KL	Sel	Other States	FYE(1)	Group Rev(2) (RM mil)	Segment Rev(3) (RM mil)	Group GP(2) (RM mil)	Group NP(2) (RM mil)	GP Margin (%)	NP Margin (%)
Sunway Const. Group Bhd	√	√	√	Dec'21	1,729.2	1,606.2	357.6	110.8	20.7	6.4
Kerjaya Prospek Group Bhd	√	√	√	Dec'21	977.0	976.6	157.2	96.9	16.1	9.9
GDB Holdings Bhd*	√	√	√	Dec'21	424.9	424.9	47.4	27.8	11.1	6.5
Inta Bina Group Bhd	√	√	√	Dec'21	336.0	336.0	31.5	11.7	9.4	3.5
Vizione Holdings Bhd	√	√	√	Nov'21	286.0	219.8	42.6	-82.7	14.9	-28.9
Tuju Setia Bhd*	√	√	√	Dec'21	245.8	245.8	17.7	8.3	7.2	3.4
TCS Group Holdings Bhd*	√	√	√	Dec'21	204.0	199.2	19.7	2.5	9.7	1.2

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Company Name	Project Location KL	Sel	Other States	FYE[1]	Group Rev[2] (RM mil)	Segment Rev[3] (RM mil)	Group GP[2] (RM mil)	Group NP[2] (RM mil)	GP Margin (%)	NP Margin (%)
Gagasan Nadi Cergas Bhd*	√	√	√	Dec'21	199.3	125.3	16.9	7.3	8.5	3.7
Vestland Group	**√**	**√**	**√**	**Dec'21**	**171.1**	**171.1**	**23.5**	**10.6**	**13.8**	**6.2**
Siab Holdings Bhd*	√	√	√	Dec'21	166.0	165.0	15.4	5.4	9.3	3.2

*KL= Kuala Lumpur; Sel= Selangor; FYE= Financial Year Ended; Rev= Revenue; GP= Gross Profit; NP= Net Profit; Bhd= Berhad; Const. = Construction *Listed on Bursa Malaysia Securities Berhad (Bursa Securities) between 2018 and 2022.*
Notes: *(1) Latest available financial information from annual reports and audited financial information of Vestland Group. (2) Derived from construction activities and may include other business activities. (3) Segment revenue derived from construction activities.*

The selection criteria for the above list include public listed companies that are involved in building construction of residential and/or non-residential projects in Kuala Lumpur and/or Selangor with revenue exceeding RM100 million. The information above was compiled from secondary market research, annual reports, company websites and Bursa Securities. The above is not an exhaustive list and serves to indicate the performance of companies that carry out construction activities similar to Vestland Group.

7.3 Market Size and Share

- The market size of the building construction industry and share of Vestland Group are estimated as follows:

	Malaysia	Vestland Group	
Building Construction	**2021 Market Size [1] (RM million)**	**FYE 2021 Revenue in Malaysia (RM million)**	**2021 Market share in Malaysia [2]**
Non-residential	31,391	125.8	Less than 1%
Residential	26,845	42.9	Less than 1%

(1) Based on the value of building construction work completed (Source: DOSM).
(2) Vestland Group's revenue divided by the market size. (Source: Vestland Group and Vital Factor analysis)

8. INDUSTRY CONSIDERATION FACTORS

- The construction industry is dependent upon, among others, the recovery of Malaysia's economy from the on-going COVID-19 pandemic, and other local and global factors. Considerations also include the performance of the Malaysian property market predicated by supply, demand and overhang conditions, and socio-economic factors such as interest rates, unemployment rates, lending policies, business confidence and consumer sentiments. In addition to the eight economic stimulus packages worth RM530 billion provided by the Malaysian government, a further RM332.1 billion has been allocated to drive the recovery of the economy as indicated in the Budget 2022. Any resurgence of COVID-19 cases and reimposition of containment measures will weigh on the growth of the economy. For the first 9 months of 2022, the real GDP of Malaysia grew by 9.3% compared to the corresponding period in 2021 *(Source: DOSM)*. Overall, the Malaysian economy is estimated to achieve real GDP growth between 6.5% and 7.0% in 2022 and forecasted growth between 4.0% and 5.0% in 2023 *(Source: MoF*).

- For the first 9 months of 2022, the real GDP of the construction industry grew by 3.3% compared to the corresponding period in 2021 *(Source: DOSM)*. According to MoF, the real GDP of the construction industry is estimated to grow by 2.3% in 2022 with forecasted growth of 4.7% in 2023. The civil engineering sector is anticipated to rebound through the implementation and acceleration of projects such as the MRT3 Circle Line, RTS Link, East Coast Rail Link (ECRL) and Light Rail Transit Line 3 (LRT3). In addition, the approved investment projects in the manufacturing sector are anticipated to increase the demand for industrial buildings, while growth in the residential sector is expected to be supported by the construction of affordable houses and government initiatives such as the Keluarga Malaysia Ownership Initiative (i-MILIKI) and Malaysia Housing Finance initiative (i-Biaya) under the Home Ownership Programme (HOPE). HOPE was introduced by the Ministry of Housing and Local Government alongside the MoF in 2022 to increase homeownership among the B40 and M40 groups through i-Biaya, provision of housing, programmes and promotions as well as policies. i-Biaya initiative was launched on 14 April 2022, offering three initiatives which are an improvement to the existing schemes, namely the Housing Credit Guarantee Scheme, My First Home Scheme and Rent-to-Own scheme, with the

support of financial institutions. Additionally, i-MILIKI initiative was introduced on 15 July 2022 to provide full stamp duty exemption for first-time homeowners of properties priced RM500,000 and below, and 50% stamp duty exemption for properties priced above RM500,000 to RM1 million from 1 June 2022 to the end of 2023.

- The Malaysian government has implemented various affordable housing schemes that will benefit the construction industry. In the Budget 2022, the following were also announced:
  - Waiver of real property gains tax for disposal of properties made from the sixth year onwards;
  - RM1.5 billion provision for housing projects targeted towards low-income groups. This includes the construction of affordable housing under the People's Housing Program (PPR), People's Friendly Home (RMR) and Malaysia Civil Servants Housing (PPAM) programmes, as well as repair and maintenance of low-cost housing; and
  - RM2.0 billion of housing credit guarantees for those without a steady income to buy homes.

- Apart from homeownership initiatives, the following were also outlined in the Budget 2022 to promote infrastructure development. These initiatives are expected to benefit the operators that are involved in construction works especially civil engineering works.
  - RM3.53 billion for the continuation and implementation of various infrastructure projects, which include, among others, Sarawak and Sabah Pan Borneo Highway, Central Spine Road project at the Paloh 2 alignment to Gua Musang, Jeniang Transfer project in Kedah, Rantau Panjang floodwall, the building of highway packages from Kok Lanas to Bukit Tiu, Kota Bharu Highway to Kuala Krai, Kelantan as well as slope and road improvements (Section 2) in Jerantut, Pahang;
  - RM0.2 billion for the creation of the Infrastructure Facilitation Fund 3.0 to boost high-impact infrastructure development activities through public-private partnerships; and
  - RM2.9 billion for the implementation of small-scale projects, which include, among others, road maintenance projects, repair of infrastructure and upkeep of schools and universities as well as other projects involving rural social amenities.

- In addition, the Government has provided various incentives/programmes through the 12MP which is expected to facilitate growth in the construction industry through the following:
  - Increasing the supply of affordable housing in strategic locations and a total of 500,000 affordable homes will be built and to be supported by various affordable housing schemes;
  - the rent-to-own programme will be expanded to cover houses priced up to RM500,000 with the option to purchase the property within five years of renting to assist the B40 and M40 households to promote ownership of houses;
  - the Fund for Affordable Homes and Youth Housing Scheme where the financing will be provided by BNM and Bank Simpanan Nasional for the purchase of a first home;
  - development of new housing redevelopment guidelines using the public-private partnership model to rebuild public housing to facilitate the redevelopment of low-cost housing areas to increase the supply of better quality houses;
  - the Skim Pinjaman Perumahan will be strengthened to assist households that own the land to build affordable houses through the introduction of more attractive loan packages;
  - a model for affordable housing development based on a cost-sharing mechanism will be introduced through a collaboration between the Federal Government, state governments and private developers to manage housing construction costs; and
  - the existing IBS incentives will be reviewed to encourage developers to use IBS technology to manage costs and improve efficiency.

- Effective from 1 May 2022, the Ministry of Human Resources (MOHR) increased the monthly minimum wage from RM1,200 to RM1,500. This may increase the overall cost of construction as the construction industry is labour-intensive. In view of rising building material costs, the Government implemented the variation of price (VOP) clause for government projects which included 15 building materials as of 14 July 2022. This allows payments to building construction contractors to be pegged to the respective building material cost indices to reflect any upwards or downwards price adjustments to help cushion increases in building material costs. The selected building materials included among others, steel, cement, glass as well as steel and metal sections.

9. RISK FACTORS

9.1 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF OUR GROUP

9.1.1 Our business and financial performance is dependent on our ability to secure new projects to ensure the continuity of our order book to sustain our business

The nature of our business is based on projects and our revenue is derived from the execution and completion of construction projects. Our construction projects typically range between 2 years up to approximately 3 years to complete, depending on the customers' requirements and works to be performed. For the FYE 2019, FYE 2020, FYE 2021 and FPE 2022, revenue contribution from construction services including build projects and design and build projects collectively accounted for 100.00% (RM98.71 million), 100.00% (RM97.12 million), 98.64% (RM168.75 million) and 98.30% (RM137.53 million) of our total revenue respectively.

In this respect, our business and financial performance are dependent on our ability to continually secure new projects to ensure the continuity of our order book to sustain our business. We have to continue to submit bids and tenders for proposals and compete against our peers to continuously secure new projects. As at the LPD, we have 14 on-going projects including projects for building construction and civil engineering works with a total outstanding order book of RM947.43 million, the details of which are set out in Section 12.7 of this Prospectus. Although, as at the LPD, we have an order book which will be recognised progressively over the next 4 financial years, there is no assurance that we will be able to continue to secure new projects and to sustain or grow our business. In the event that we are unable to secure any new projects, our order book will decline over time and this would adversely affect our sustainability and financial performance in the future.

Additionally, we have also entered into the Master Construction Agreement for the Selangor Cyber Valley Project and Sierra Alam Project for an aggregated contract value of up to approximately RM550.69 million. As at the date of this Prospectus, the conditions precedent of the Selangor Cyber Valley (Phase 1) Project (contract value of approximately RM234.86 million) has been fulfilled whilst the Selangor Cyber Valley Phase II Project (contract value of approximately RM198.50 million) and Sierra Alam Project (contract value of approximately RM117.33 million) are pending fulfilment of the conditions precedent. There can be no assurance that the conditions precedent can be fulfilled in such time and manner prescribed in the Master Construction Agreement, failing which it will affect the replenishment of our order book.

Further details of the Master Construction Agreement is set out in Section 7.18.1 of this Prospectus.

Our order book is also subject to unexpected adjustments on the scope of works which may occur across the project period. In addition, there can be no assurance that our current order book can be continually maintained at such a level in the future. Generally, any reductions in the contract value or scope of work for the projects secured in our order book will reduce the value of our order book and revenue to be generated thereafter, which in turn may affect our long-term sustainability and business growth as well as the future financial performance of our Group.

9.1.2 Our business and financial performance may be affected if there are delays or cancellations of our projects

We have to adhere to an agreed timeline that is stipulated in the contracts for our construction projects. Although we may continue to monitor and manage the projects closely and adhere to our project execution schedule and milestones, there is a risk that we may not be able to complete our project in time due to external factors that are beyond our control. In the event of any delays in the completion of our projects, we will be liable for LAD claims and/or penalties from customers which may adversely affect our financial performance and reputation. Some of the possible delays in the completion of our projects which may cause us to incur LAD claims include inter-alia, inability of the subcontractors appointed by us to fulfil their scope of work on time or delay/shortages by our suppliers in providing construction materials and adverse weather conditions, which are beyond our control, and/or delays caused by events within our supervision such as accidents on the construction site as well as the underestimation by our Group of the complexities involved in the construction job. In addition, if we are unable to complete our construction projects due to unforeseen circumstances, this would adversely impact on our reputation and our customers may not pay us in full for the project.

The timely completion of a project is dependent on various factors including delays in the site possession, obtaining permits or approvals from regulatory authorities, delays in the delivery of equipment and materials, workplace hazards and accidents, weather conditions and outbreaks, epidemics or pandemics that may interrupt our on-site operations. Any project delays may also lead to cost overruns which would further affect our financial performance for a project. Under such circumstances, we would usually seek an EOT from the customer if we are unable to meet the expected timing of completion. As an EOT is still subject to the approval of the customer, there is no assurance that we would not experience any claims for LAD or penalties on delays in the completion of projects. For the Financial Years Under Review and up to the LPD, we have not encountered any situation where our customers had imposed LADs on us.

Our financial performance may also be affected if our projects are cancelled or terminated. For the Financial Years Under Review and up to the LPD, save for the following, we have not experienced any cancellations or termination of our projects:-

- On 29 July 2019, we received a notification letter from our customer (My Eg Lodging Sdn Bhd) for the mutual termination of the contract for the design and build of workers' hostel in Sungai Tiram, Johor, due to a delay by our client in obtaining vacant possession of the land. The contract was awarded on 6 November 2017 with a contract value of RM1.92 million. As at the LPD, we have submitted total progress claims of RM0.38 million to the customer based on work done and this has been fully settled as at the LPD.

- On 28 May 2019, we received a notification letter from our customer (Metex Modular Sdn Bhd ("**Metex**")) for the mutual termination of the contract for the construction of workers' accommodation in Pengerang, Johor. The mutual termination was due to a change in the business plan by Metex after we have commenced our construction works and Metex was unable to provide a resumption date for our construction works. The contract was awarded on 19 March 2018 with a contract value of RM6.71 million. As at the LPD, we have submitted total progress claims of RM1.29 million based on work done and this has been fully settled as at the LPD.

The cancellation or termination of the above contracts did not have any material impact to our financial performance as the progress claims to the customers have been fully settled as at the LPD. There is no assurance that we would not experience any cancellations or termination of our projects in the future.

9.1.3 We face the risk of cost overruns for our projects as they are mainly based on a fixed contract value

Our construction projects are mainly based on a fixed contract value. For a fixed contract value, as we are unable to pass the increases in cost to our customers, any unanticipated cost increases during the project execution and construction period would adversely affect our financial performance. The unanticipated cost increases may arise due to the longer lead time required from submitting the estimated cost in the tender submission to the completion of the construction which may typically take up to approximately 3 years to complete. In this respect, there is a risk that the timing between the tender submission of the costs and the costs incurred during the construction may result in unanticipated increases in our costs or cost overruns. The increase in the cost of construction could be affected by various factors including, among others, prices of construction materials, labour cost and site overheads as well as prolonged project period, all of which could adversely affect our profit margins.

For the Financial Years and Period Under Review, the cost of construction materials accounted for 27.15% (RM21.88 million), 28.20% (RM21.96 million), 30.33% (RM43.12 million) and 30.59% (RM35.39 million) of our total purchases of input materials and services for the FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively.

For the Financial Years and Period Under Review, steel bars constitute one of the main steel materials purchased by our Group and are subject to price fluctuations. The average purchase price of steel bars purchased by our Group increased by 1.15% and 43.27% for FYE 2020 and FYE 2021 respectively. As steel bars are one of the main materials used in our construction operations, the fluctuations in price will affect our margins.

In this respect, any unfavourable fluctuations in the cost of these materials may adversely impact our profit margins and our financial performance. Throughout the Financial Years Under Review, our Group has experienced price fluctuations in construction materials, nevertheless such price fluctuations have not adversely affected our financial performance.

Although we have the experience in project budgeting to estimate the costs (including price fluctuations of construction materials) that we would incur up to completion of the project for the submission of tenders or quotation proposals, there is no assurance that we may not face any unanticipated cost increases in the future which are beyond our control.

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9.1.4 We are dependent on the services and quality of our subcontractors to perform certain works for our construction projects

For projects where we are engaged as a main contractor or a TPC, we mainly engage subcontractors to perform certain specialised works such as architectural works, structural works as well as M&E works. Subcontractor costs accounted for 61.06% (RM49.22 million), 62.56% (RM48.71 million), 60.42% (RM85.88 million) and 56.90% (RM65.82 million) of our total purchases of input materials and services for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively.

We select the subcontractors by assessing their tenders submitted to us, which include inter-alia, their profile and past track record as well as through our past working experience with the subcontractors. The subcontractors are engaged by us and have no direct contractual relationship with our customers.

Any failure by a subcontractor to fulfil its contractual obligations may lead to delays in completion of the project, thereby resulting in penalties being imposed on our Group by our customers. If we are unable to claim such penalties from our subcontractors, this could adversely affect our Group's financial performance.

We have not experienced any claims from our customers relating to the work completed by our subcontractors for the Financial Years and Period Under Review and up to the LPD. Nevertheless, there is no assurance that we would not experience any claims from our customers relating to the unsatisfactory, late or non-performance of our subcontractors in the future.

9.1.5 We are dependent on labour supply including foreign workers

In general, our construction operations are labour intensive and the implementation of our construction activities is also dependent on our ability to secure an adequate supply of labour (both skilled and unskilled) to meet our project requirements, either through engaging subcontractors or employing foreign workers.

The supply of foreign workers in the construction industry in Malaysia is subjected to certain conditions set by the Government which may change from time to time. In the event of any restrictions imposed on the hiring of foreign workers, the construction industry may face shortages in the supply of foreign workers. This may adversely affect our ability to meet our delivery schedules and may result in delay of completion of our projects and subject us to the risk of liquidated damages claims from our customers. Between June 2020 and February 2022, the Government imposed a hiring freeze of foreign labour to create employment opportunities for local workers. The freeze on hiring foreign labour has led to a shortage of foreign workers in Malaysia which affected the construction industry. As we have our own foreign employees and we plan our resources according to our project timeline, our business operations were not materially affected by the hiring freeze of foreign labour. Nonetheless, as our business operations are dependent on foreign workers, there is no assurance that we would not face a shortage of foreign workers in the future.

As at the LPD, our Group had 79 foreign employees, of which all of them have valid working permits. For information purposes, should there be any foreign employees who are pending renewed working permits in the future, such employees will not be working and/or carrying out any work at the sites of our Group until such working permits are renewed. Accordingly, we may be subject to shortage of foreign workers in the event the working permits could not be renewed.

The Minimum Wage Order 2022 was gazetted on 27 April 2022 and the implementation of the monthly minimum wage is RM1,500 which took effect on 1 May 2022. The new minimum wage of RM1,500 is applicable to (i) employer who employs 5 or more employees; and (ii) all employers who carries out a professional activity regardless of the number of employees. As at the LPD, as all our employees, including local and foreign employees are paid above the minimum wage of RM1,500, the Minimum Wage Order 2022 does not have an impact on our Group's financial performance or operations.

In addition, any changes in policies relating to the employment of foreign workers such as increases in the minimum wages or any other additional costs imposed by the Government in relation to employment of foreign workers as well as efforts made by the Government to attract both local and foreign workers may also result in an increase in our costs and overheads which would adversely affect our financial performance.

9.1.6 We are dependent on our Group Managing Director, Executive Director and Key Senior Management for the continuing success of our Group

Our business operations are dependent to a large extent, on the experience, business network, knowledge and skills of our Group Managing Director, Datuk Liew and our Executive Director, SK Wong. Datuk Liew has contributed significantly to the overall guidance of our Group's business direction and manages the strategic development of our Group supported by his approximately 20 years of experience in the construction industry. He is also supported by SK Wong who brings with him approximately 22 years of experience in the construction industry and he is responsible for assisting our Group Managing Director in the overall management and operation of our Group as well as overseeing the overall operations of our construction projects. The profiles of Datuk Liew and SK Wong are set out in Section 5.1.2 of this Prospectus.

In addition, our business operations are supported by our Key Senior Management with relevant experience in their respective fields ranging from finance matters, project tendering, project management and implementation, contract matters, procurement and human resource management. The profiles of our Key Senior Management are set out in Section 5.4.2 of this Prospectus.

The loss of services from our Group Managing Director, Executive Director or any of our Key Senior Management without any suitable and timely replacement may adversely affect our business operations and financial performance. As such, it is critical for our Group to be able to continue to hire, develop, motivate and retain our employees who are capable, skilled and qualified in performing their roles and responsibilities to ensure continuity in operations and adequate support is available in providing our construction services.

For the Financial Years Under Review and up to the LPD, we have not experienced any loss of services from any of our Group Managing Director, Executive Director or Key Senior Management which may materially affect our business operations. Nevertheless, there is no assurance that we would be able to retain our Group Managing Director, Executive Director or our existing Key Senior Management or ensure a smooth transition should there be any material changes in the future.

9.1.7 We are subject to workplace hazards and may not have adequate insurance to cover liabilities for claims or losses due to unfavourable natural or otherwise events or incidences

We are exposed to operational risks including bodily injuries and loss of life due to accidents at the project sites as well as loss and physical damages to construction machinery and equipment arising from theft, improper usage or fire. As part of our operational practice, we have maintained a certain level of insurance policies, among others, contractors' all risks insurance and workmen's compensation insurance which provides all risk insurance coverage to our workers, subcontractors and equipment at our construction sites.

There is no assurance that our insurance coverage would be sufficient to cover all the losses, damages or liabilities or to compensate the claims, which may incur in the course of our business operations. In the event of any losses or damages that are in excess of our insured limits or are in areas for which we are not insured, this could adversely affect our business operations, financial performance and results of operations. In addition, there can be no assurance that such insurance will continue to be available on terms that are acceptable to us.

There have been no material insurance claims during the Financial Years Under Review.

9.1.8 We are subject to the risk of defect liability claims from customers for our construction projects

The DLP for our construction projects ranges from 12 months up to 30 months from the date of CPC which is an official handover date of our completed projects to our customers, depending on the contractual agreement. We are liable for any repair, reconstruction or rectification of any defects that are attributable to the construction works including works that are carried out by our subcontractors.

If there is a defect liability claim that is attributable to the works carried out by a subcontractor, we usually seek the assistance of the respective subcontractor to perform the repair and rectification works and the cost of these said works will be borne by the subcontractor. Should the subcontractors fail to make good any defects, we may be required to engage third party to rectify such defects and claim such additional costs incurred in connection thereto from the relevant subcontractors. If no corresponding defect liability claims which can be ascertained against the subcontractors or if the amount claimed is not recoverable from the subcontractors, we may need to bear the cost of such rectification cost and if we fail to rectify the defects satisfactorily, our customer may utilise in its entirety or a portion of the retention sum retained by them to rectify these defects. The inability to recover the amount claimed from our subcontractors and/or the entire retention sum due to us arising from the defect liability claims may adversely affect our financial performance, reputation and results of operations.

For the Financial Years and Period Under Review and up to the LPD, whilst we have not experienced any defect liability claims against us, we have incurred repair and rectification costs during the DLP that are under our responsibilities for our completed projects, as follows:

	FYE 2019	**FYE 2020**	**FYE 2021**	**FPE 2022**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Repair and rectification costs	1,148	1,663	565	219
% of total cost of sales	**1.33**	**2.01**	**0.38**	**0.18**

Although we endeavour to maintain the quality of our construction works, there is no assurance that we would not experience any defect liability claims in the future or that these claims would not adversely affect our profitability.

9.1.9 Our business operations are dependent on our ability to obtain project financing and we are exposed to interest rate risk that may result in financial distress if we fail to meet our financial and performance obligations

Our operations are dependent on our ability to obtain adequate project financing and we are exposed to adverse interest rates movement and financial distress risk if we fail to meet our obligations under our financing arrangements.

We mainly utilise internally generated funds and bank borrowings including bank overdrafts, term loans and revolving credits for our working capital requirements. We may also rely on bank guarantees for tender bonds and performance bonds. Such bank guarantees are used for all aspects of the project construction contract life cycle from the start of the tender process to the expiration of our liability towards the client in accordance with the terms of each respective contract.

Moving forward, we may still seek additional project financing which is typically in line with new projects secured. In the event that we fail to obtain the required project financing, this could adversely affect our cash flow and working capital for our business operations. If we fail or encounter difficulties in meeting our financial obligations when they are due, this will result in a financial distress condition which will affect our operations and financial performance. For the Financial Years and Period Under Review and up to the LPD, we have not defaulted on any payments of either the principal and/or interests in relation to our borrowings.

As at 30 June 2022, our total borrowings undertaken (for both working capital and operations as well as facilities undertaken for purposes of financing our investment properties) amounted to RM44.10 million, of which all were interest bearing comprising RM42.43 million of borrowings are based on floating interest rates and the remaining RM1.67 million borrowings are based on fixed rates. Our finance cost increased from RM0.65 million for FYE 2019 to RM1.22 million for FYE 2020, to RM1.73 million for FYE 2021. For the FPE 2022, we incurred finance cost of RM0.77 million. In this respect, any increase in the interest rates may impact our financial performance.

A sensitivity analysis performed on our Group based on the outstanding floating rate of the bank borrowings as at 30 June 2022 indicates that our PAT for FPE 2022 would increase or decrease by approximately RM0.11 million, as a result of an increase or decrease in interest rates by 25 basis points on the total borrowings.

9.1.10 Our business operations and financial performance may be adversely affected if the COVID-19 pandemic is prolonged

The outbreak of COVID-19 or any epidemics or pandemics may potentially affect our business operations. Between March 2020 and up to the LPD, there were several MCO measures that were implemented including full and partial lockdown containment measures and restrictions imposed.

Generally, our business was impacted due to the containment measures implemented during the MCO 1.0 period between 18 March 2020 and 3 May 2020 as well as the FMCO and various phases of the NRP which commenced on 1 June 2021, where our project site operations were either suspended or operating below our normal workforce capacity. The interruptions in business operations had an impact on our project execution and implementation as well as our billing schedules for our construction projects. Such measures implemented to contain the spread of COVID-19 had an impact to our Group's financial performance for the FYE 2020 and FYE 2021.

During MCO 1.0, which had mainly impacted our financial performance for FYE 2020, there was a delay in revenue recognition of approximately RM4.32 million due to the interruptions at our on-going project sites at Glenz Mixed Commercial Development Project, Three33 Residence Project, Semi-D and Bungalow Houses (Pujaan) Project and PPA1M Houses Project. Nonetheless, we have fully recognised the aforementioned revenue of RM4.32 million in FYE 2021. Similarly the FMCO and NRP phases had also impacted our financial performance for FYE 2021 wherein there was a delay in revenue recognition of approximately RM28.15 million due to interruptions at our project sites at Glenz Mixed Commercial Development Project, Semi-D and Bungalow Houses (Pujaan) Project, PPA1M Houses Project, KKB Academic Building and Student Accommodation Project, CPL Aromas Pulau Indah Project, Residensi Armani Bukit Lanjan Project, Residensi Armani Petaling (Cheras) Project, Armani Subang SOHO Project and Beluran Police Camp Project. As at the LPD, we have fully recognised the aforementioned revenue of RM28.15 million.

We do not expect the above delays in our project timeline and revenue recognition to have a material impact on our financial performance as we neither received any cancellation or suspension of any contracts nor did we experience any reduction in our scope of work. We will be able to complete all our on-going projects and the delayed revenue will eventually be recognised.

We have also notified our customers about the disruptions and constraints resulting from the containment measures mainly for the MCO in 2020 (between March 2020 and May 2020) and FMCO and Phase 1 of the NRP period in 2021 (between June 2021 and August 2021) and we have sought for an EOT for our affected projects. As at the LPD, we have received written confirmation for EOT from our customers for our projects that have been delayed by work stoppages and slowdown during the said periods.

Notwithstanding the above, there is no assurance that the outbreak of COVID-19 in Malaysia can be effectively controlled, or another outbreak of other pandemics will not happen in the future. Accordingly, other outbreaks or pandemics which may happen in the future could potentially persist for a substantial period and this may significantly and adversely affect our business operations and financial performance.

Please refer to Section 7.12 of this Prospectus for further details on the material business interruptions relating to the COVID-19 pandemic.

9.1.11 Our business operations may be exposed to liquidity risk from either delay in collections and/or non-recoverability of trade receivables/retention sum or collections in payment in kind (Contra Payment) that may affect our cash flow and working capital

We are exposed to delays in collection and/or non-recoverability of trade receivables and/or retention sum from our customers. At present, the credit terms granted to our customers are mainly 90 days from the date of progress billings depending on the terms of the contracts. If we experience any delay and/or non-payment by our customers, we may face potential cash flow constraints. This may result in a material adverse impact on our financial condition, our ability to pay our suppliers, and potentially delay on the progress of our projects. The trade receivables as at 30 June 2022 which exceeded the credit period (excluding retention sum) that is still outstanding as at the LPD is RM1.37 million.

Our retention sum amounted to RM28.78 million as at 30 June 2022. Any extended delay in payment from our customers or failure to collect our retention sums may affect our cashflow and working capital. For the Financial Years Under Review, there were no bad debts written-off or provision made for doubtful debts. Please refer to Section 12.4 (xi)(a) of this Prospectus for further details.

In some instances where our customers are unable to settle the amount due to us, they may request for us to consider contra payment as settlement. For the Financial Years Under Review and up to the LPD, the following properties were retained in our financial statements through contra payments from our customer which is a subsidiary of a company listed on the Main Market of Bursa Securities:

Type of investment properties	Units	NBV			
		FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000
Leasehold land with a 3-storey semi-detached residential house located in Selangor (D'Island House) (1)	1	1,874	1,500	1,500	-
Serviced apartments located in Pahang (2)	3	1,613	1,581	1,548	965
Leasehold land with a double storey terrace house located in Selangor (3)	1	342	335	328	-

Notes:-

(1) We acquired this property in July 2016 as contra payment for outstanding receivables amounting to approximately RM2.48 million for projects undertaken by our Company which were completed prior to our Financial Years Under Review. During the FYE 2016 and FYE 2020, there was an impairment loss of RM0.46 million and RM0.33 million respectively on the said investment property which arose as a result of the deterioration in market value of this property during the respective financial years. Subsequently, on 9 July 2021, we entered into a sale and purchase agreement with a non-related party to dispose of the property for a cash consideration of RM1.50 million. As at the LPD, the sale and purchase agreement has been completed. Please refer to Section 12.2.7 of this Prospectus for further details on the impairment loss.

(2) We acquired 7 units of properties in FYE 2018 and FYE 2019 (all of which are located within the Genting Midhill Project) as contra payment mainly for retention sums amounting to approximately RM4.77 million for our projects which were mainly completed prior to our Financial Years Under Review. We had also in FYE 2019, nominated our related parties namely V Group Land to receive 1 unit with a settlement amount of RM0.73 million and Top Stream Realty Sdn Bhd to receive 3 units of the aforesaid properties with a total settlement amount of 2.42 million. As at the LPD, the payments for the nominated units have been fully settled. Hence, for the Financial Years Under Review, we retained 3 units of investment properties from the Genting Midhill Project properties. Subsequently, on 28 February 2022, 15 March 2022 and 23 March 2022, we had entered into 3 sale and purchase agreements with different non-related parties to dispose of the said properties for an aggregate cash consideration of RM1.56 million. As at the LPD, the sale and purchase agreements have been completed in accordance with their terms.

(3) We acquired this property in May 2013 as contra payment for outstanding receivables amounting to approximately RM0.38 million for projects undertaken by our Company which were completed prior to our Financial Years Under Review. Subsequently, on 6 December 2021, we entered into a sale and purchase agreement with a non-related party to dispose of the property for a cash consideration of RM0.42 million. As at the LPD, the sale and purchase agreement has been completed.

In view of this, any contra payment may impact on our cash flow and liquidity position, which may in turn reduce the financial resources available for our core business operations in the construction services. As a result, our business operations, financial position and results of operations may be materially and adversely affected.

9.1.12 Our business requires us to obtain and hold a valid CIDB certificate of registration and the failure to maintain this certificate could significantly hinder our business

We are required to obtain and hold a valid certificate of registration as a contractor with the CIDB for our business operations. According to the Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 (LPIP Act), no person shall carry out or complete any construction work or hold himself out as a contractor unless he is registered with the CIDB and holds a valid certificate of registration issued by CIDB. The registration with the CIDB as a contractor is classified into 7 grades with each grade having a different tendering capacity. A contractor is not permitted to tender for any construction projects which exceeds the value of the construction works specified in the respective registration grade.

Our subsidiary, Vestland Resources has been registered as a Grade 7 contractor with the CIDB which allows us to tender for construction projects in Malaysia without any limitation to the value of construction works.

The certificate of registration issued by CIDB is subject to our compliance with the conditions imposed by the CIDB and/or under the LPIP Act or the relevant government authorities. Failure to comply with such conditions may impose a risk of suspension and revocation on the certificate of registration issued by CIDB. The certificate of registration issued by the CIDB are valid for a limited period of time and subject to periodic review and renewal by the CIDB. Please refer to Section 6.6 of this Prospectus for further details of the major approvals, licenses and permits of our Group and relevant validity periods.

In addition, the CIDB or relevant authorities may impose new laws, regulations or changes on the standards of compliance or conditions from time to time where we may incur additional cost or resources to comply with such new or revised standards or conditions. In the event that any new and revised standards of compliance or conditions are imposed, there is no assurance that we will be able to comply with such new or revised standards or conditions and consequently, this may delay the completion of our projects.

As at the LPD, we have not experienced any suspension or revocation of our certificate of registration issued by the CIDB prior to its expiration. We have also been successful in renewing our existing certificate of registration with the CIDB. However, there can be no assurance that our certificate of registration will not be revoked or suspended prior to its expiration. There can also be no assurance that we will be able to renew such certificate of registration in the future. Any revocation or non-renewal of our certificate of registration by the CIDB will have a material impact on our ability to continue our business operations which would materially and adversely affect our business activities, reputation and financial prospects.

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9.1.13 We may be exposed to the risks in property investment

As at 31 December 2021, we own 18 units of investment properties including 5 units with a total consideration of RM4.49 million which were acquired via contra payments and 13 units of investment properties with a total consideration of RM14.69 million which were acquired from our customers' projects. The investment properties acquired from our customers were intended to support their business with a view of fostering and/or maintaining good business relationship as well as after taking into consideration the commercial value of these properties. As at 31 December 2021, the aggregate NBV of such investment properties amounted to RM17.78 million. These properties are intended to be held to generate rental income as well as capital appreciation until such time when opportunities for disposal arises. It is our Company's intention to remain focused on our business as a construction company and it is not our business model or policy to acquire properties in our customers' property development projects as a pre-condition for securing a project or to accept pre-arranged payment in kind from our customers for our construction services. As at the LPD, we have entered into 10 sale and purchase agreements with different purchasers to dispose of 10 units of the investment properties for an aggregate cash consideration of RM6.48 million. The NBV for the 10 units of investment properties as at 31 December 2021 amounts to an aggregate of RM5.68 million. As at the LPD, save for 2 units of 3-storey shop office located in Petaling Jaya, Selangor, the said sale and purchase agreements have been completed in accordance with their terms.

In addition to the above, we had also acquired 12 office units at the Glenz Mixed Commercial Development Project from our customer to be utilised as our new head office amounting to RM9.38 million. Please refer to Section 4.5.1 of this Prospectus for further details.

In view of the above, we may be subject to certain risks inherent in property investment. These include among others, fluctuations in property prices and rental rates as well as competition to secure tenants. We may also face the risk of not being able to dispose our investment properties due to, among others, weak market sentiments, increase in property overhang, economic downturn as well as other unfavourable market conditions. These external market conditions may also deter us from selling our investment properties at favourable prices or at all. If we are unable to dispose of our investment properties after a long holding period, it may reduce our liquidity where our financial resources are tied up in fixed assets, which could otherwise be diverted to our operations. This may negatively affect our cashflow position and financial performance.

9.1.14 Our business is concentrated on a few major customers

Certain of our major customers had contributed substantially to our revenue for the Financial Years Under Review, details are as follows:-

Major customers	% of revenue contribution our Group's total revenue			
	FYE 2019	FYE 2020	FYE 2021	FPE 2022
	(%)	(%)	(%)	(%)
TSI Domain Sdn Bhd[(1)]	44.20	9.73	#	#
Sg. Besi Construction Sdn Bhd[(2)]	22.85	58.81	42.22	18.66
Perbadanan Perwira Harta Malaysia	8.66	11.75	7.50	#
Ascendvest Sdn Bhd[(1)]	6.64	#	#	#
Aikbee Timbers Sdn Bhd	4.35	#	#	#
Mercu Majuniaga Sdn Bhd[(2)]	#	5.91	30.60	36.57
Pujaan Harmoni Sdn Bhd	#	5.65	#	#
Hawa Teknik Sdn Bhd	#	#	7.74	29.22
Cherane Lalie Sdn Bhd	#	#	4.82	#
Binastra Construction (M) Sdn Bhd	#	#	#	5.84
Tafi Industries Berhad [(2)(3)]	#	#	#	4.81
Total	**86.70**	**91.85**	**92.88**	**95.10**

Notes:-

 # The customer is not one of the top 5 major customers of our Group for the relevant financial year under review.

(1) TSI Domain Sdn Bhd and Ascendvest Sdn Bhd have common shareholders. For information purposes, the aggregate revenue contribution from TSI Domain Sdn Bhd and Ascendvest Sdn Bhd collectively accounted for 50.84%, 9.75%, 0.59% and 0.02% of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively.

(2) Sg. Besi Construction Sdn Bhd, Mercu Majuniaga Sdn Bhd and Tafi Industries Berhad have a common shareholder. For information purposes, the aggregate revenue contribution from Sg. Besi Construction Sdn Bhd, Mercu Majuniaga Sdn Bhd and Tafi Industries Berhad collectively accounted for 22.85%, 64.72%, 72.82% and 59.96% of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively.

(3) Tafi Industries Berhad, which is a company listed on the Main Market of Bursa Securities is the holding company of Tafi Home & Office Sdn Bhd and Tafi Development Sdn Bhd.

Moving forward and based on our order book as at the LPD, the following customers are expected to contribute 67.30% of our total outstanding order book, details are as follows:-

Customers	Projects	Expected Completion Date	% of the Group's outstanding order book as at the LPD
Mercu Majuniaga Sdn Bhd(3)	Residensi Armani Cheras Project	December 2022	0.10
	Armani Subang SOHO Project	March 2023	0.16
	Residensi Armani Bukit Lanjan Project	March 2023	0.06
	Tanah Rata Cameron Project	January 2025	4.05
	Raja Uda Project	May 2025	8.44
		Subtotal for Mercu Majuniaga Sdn Bhd	**12.81**
Hawa Teknik Sdn Bhd	Beluran Police Camp Project	February 2025	25.47
		Subtotal for Hawa Teknik Sdn Bhd	**25.47**
Binastra Construction (M) Sdn Bhd	D'vine Residence Project	December 2024	20.70
	Plot 9D Civil Engineering Project	December 2022(1)	0.56
	Plot 10 Civil Engineering Project	September 2024(5)	5.78
		Subtotal for Binastra Construction (M) Sdn Bhd	**27.04**
Tafi Industries Berhad(3)(4)	Permas City Project(2)	January 2023(5)	0.48
	Habu Cameron Infrastructure Project(2)	March 2024	1.50
		Subtotal for Tafi Industries Berhad	**1.98**
		Grand Total for customers	**67.30**

Notes:-

(1) Based on the terms of the letter of award dated 5 January 2022, the commencement of site works for Plot 9D is subject to the Site Possession. The expected completion date shall be 9 months commencing from Site Possession. We have obtained Site Possession in October 2022 and the expected completion date is July 2023.

(2) The Permas City Project and the Habu Cameron Infrastructure Project were awarded by Tafi Home & Office Sdn Bhd and Tafi Development Sdn Bhd respectively, both of which are wholly-owned subsidiaries of Tafi Industries Berhad.

(3) Tafi Industries Berhad and Mercu Majuniaga Sdn Bhd have a common shareholder.

(4) Sg. Besi Construction Sdn Bhd and Tafi Industries Berhad have common shareholders.

(5) Being the revised expected completion date based on the EOT granted by our customer as at the LPD.

Notwithstanding that certain major customer of the Group had contributed substantially to our revenue during the Financial Years Under Review, our Group is not dependent on any particular customer. This is due to the nature of our Group's business which is project based where our revenue contribution from major customers varies from year to year given the nature of our business being conducted on a contract basis, which typically ranges from 2 to 3 years. Furthermore, our Group has been able to secure contracts from new customers which are of relatively sizeable value during the Financial Years and Period Under Review and subsequent thereto, such as the Beluran Police Camp Project, D'vine Residences Project as well as the Selangor Cyber Valley Project and Sierra Alam Project. However, our Group is exposed to customer concentration risk from time to time depending on the quantum of the projects secured and tenure of contracts.

Our financial performance may be materially and adversely affected if we were to lose one or more of our major customers (or reduce the level of services provided to them) without capturing new customers to replace the loss of business in a timely manner, or if we were to encounter difficulties in collecting payments from these major customers, or if the development projects undertaken by our major customers are delayed or terminated.

Although we have not encountered difficulties in securing new customers, there is no assurance that we are able to continue to secure contracts with new customers with equivalent or higher value to replace existing contracts that have been completed, deferred or terminated.

9.1.15 Our business requires us to have certificate for accommodation ("CFA") pursuant to the Employees' Minimum Standards of Housing, Accommodations & Amenities Act 1990 ("Employees' Accommodation Act")

The Employees' Accommodation Act, which was formerly known as the Workers Minimum Standards of Housing and Amenities Act 1990, came into force on 1 December 1990 and prescribed the minimum standards of housing for estate workers and their families.

Subsequently, the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 that came into force on 1 June 2020 has expanded the coverage of the Employees' Accommodation Act to include all other employees in Peninsular Malaysia and the Federal Territory of Labuan. At this point of time, the Employees' Accommodation Act did not apply to the states of Sabah and Sarawak.

On 26 February 2021, the Employees' Accommodation Act was further amended by the Emergency (Employees' Minimum Standards of Housing, Accommodations and Amenities (Amendment) Ordinance 2021 ("**Emergency Ordinance**"). Pursuant to the Emergency Ordinance, the Employees' Accommodation Act was made applicable throughout Malaysia, including for the states of Sabah and Sarawak. The Emergency Ordinance was enacted following a Proclamation of Emergency issued by the Yang di-Pertuan Agong (as the Malaysian head of state) under Article 150 of the Federal Constitution of Malaysia, which came into force on 11 January 2021 and subsequently revoked on 21 July 2021. Following the revocation of the Emergency Ordinance, the Employees' Accommodation Act no longer applies to the states of Sabah and Sarawak.

Nonetheless, the Employees' Accommodation Act still applies to Peninsular Malaysia and Federal Territory of Labuan and Section 24D of the Employees' Accommodation Act stipulates that no accommodation shall be provided to an employee unless certified with a CFA. An employer who contravenes Section 24D of the Employees' Accommodation Act and commits an offence shall, on conviction, be liable to a fine not exceeding RM50,000.00. A centralised accommodation provider who contravenes Section 24D of the Employees' Accommodation Act and commits an offence shall, on conviction be liable to a fine not exceeding RM50,000.00 or to imprisonment for a term not exceeding 1 year, or to both.

As at the LPD, the status of CFA for the foreign workers' accommodation at the respective construction sites of the Group's on-going projects are as follows:-

Project	Date of CFA
Armani Subang Soho Project	3 March 2022
Residensi Armani Petaling (Cheras) Project	28 December 2021
Residensi Armani Bukit Lanjan Project	28 December 2021
KKB Academic Building and Student Accommodation Project	28 March 2022
D'vine Residences Project	12 April 2022
CPL Aromas Pulau Indah Project	18 April 2022

Save as disclosed above, as at the LPD none of our other on-going construction projects contain/require accommodation for workers which require CFA.

Despite obtaining the CFA for the foreign workers' accommodation for the Group's on-going projects as depicted in the table above, there is no assurance that the Group will be able to apply for CFA successfully for its on-going and future projects, when required, including the Raja Uda Project and Tanah Rata Cameron Project and the CFA for the Beluran Police Camp Project, should the applicable legislation be amended to necessitate the requirement to apply for a CFA in the state of Sabah. If the Group fails to comply with the Employee Accommodation Act, on conviction, the Group shall be liable to a fine not exceeding RM50,000.00, or to imprisonment for a term not exceeding 1 year or to both for each construction site. In addition, the Group's operations may be temporarily disrupted as the Group will be required to relocate its foreign workers to new place of accommodation with valid CFA.

9.1.16 We cannot assure that our business strategies and plans will be commercially successful

Our business strategies are mainly focused on strengthening and leveraging from our core competency in construction services including expanding on our design and build capabilities to address opportunities in the residential and non-residential building segment, continuing to expand on our order book, expanding our civil engineering capabilities as well as acquiring a new head office as set out in Section 7.18 of this Prospectus. There can be no assurance that we will be successful in executing our business strategies nor can we provide the assurance that we will be able to anticipate all the business and operational risks arising from our business strategies. In addition, we may experience a delay in the timing of the implementation of our business strategies and plans if there is a reimposition of the MCO restrictions. In this respect, this may affect our future business and financial performance.

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9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 We are exposed to the inherent risk in the construction industry

Our Group is in the construction of buildings for the private sector and government sectors. Private sector projects include residential and non-residential buildings, while government sector projects include buildings for dwellings and facilities for army camps and battalions as well as institutional buildings such as buildings for academic and student accommodation.

As we will continue to serve these sectors, our business is subject to the inherent risks in the construction industry which includes, among others, the following:-

(i) general economic conditions, where a slowdown in the economy may cause the following:-

- increase in unemployment, low or no wage increases, reduction in consumer wealth and consumer confidence resulting in a lower demand for property investment and purchases; and

- slowdown in commercial and industrial activities resulting in a lower demand for commercial and industrial properties;

(ii) performance of the property market including property overhang where unsold properties in residential and commercial properties may slowdown the introduction of new property developments;

(iii) shortage of labour and increases in labour cost resulting in delays in construction and higher construction costs;

(iv) increase in the cost of construction materials which may result in lower margins for construction companies and higher priced construction and buildings including residential, commercial and industrial properties as well as infrastructure and community projects; and

(v) changes in lending policies and practices by financial institutions which would affect property developers and infrastructure owners' ability to obtain adequate funds for construction, as well as affect the access to loans for the purchases of residential, commercial and industrial properties.

Furthermore, the increase in the number of unsold residential and commercial properties in Malaysia may adversely impact on new property developments which may ultimately affect the demand for construction services. The volume of residential property overhang increased by 24.7% in 2021, following the decline in 2019 and 2020. Meanwhile, the volume of commercial property overhang increased at a lower rate of 1.8% in 2021. Under the residential property overhang category, high-rise properties accounted for 60.8% of the total residential property overhang units in 2021. As for commercial property overhang, in 2021, serviced apartments accounted for 73.2% of commercial property overhang units in Malaysia. *(Source: IMR Report)* Our business and financial performance may be adversely affected if the performance in the property market continues to be weighed down by overhang conditions.

In 2021, the value of construction work completed in Malaysia declined to RM111.98 million from RM117.92 million in 2020 (or a decrease of 5.0%) mainly due to the COVID-19 containment measures including limitations on operating capacity. In 2022, the construction industry is projected to grow by 6.1% and this is mainly supported by the implementation of large infrastructure and small-scale projects under the Budget 2022, new housing projects and launches, as well as existing and new commercial and industrial projects. *(Source: IMR Report)*

Notwithstanding the lacklustre industry performance in 2021, our total revenue increased by 76.15% from RM97.12 million in FYE 2020 to RM171.08 million in FYE 2021. In FPE 2022, we have a total revenue of RM139.91 million. Nonetheless, there can be no assurance that our financial performance will not be adversely affected by the slowdown in the construction industry in the future.

As at the LPD, 52.25% of our outstanding order book comprise of government sector projects, namely Beluran Police Camp Project, KKB Academic Building and Student Accommodation Project and Selangor Cyber Valley (Phase 1) Project. Additionally, our Group has also secured other government sector projects, i.e. Selangor Cyber Valley Phase II Project and the Sierra Alam Project with an aggregate contract value of RM315.83 million which are pending fulfilment of the relevant CPs as at the LPD.

While our government sector projects are secured from private companies, nonetheless we may still be indirectly exposed to the risks associated with government sector projects including but not limited to changes in Government spending, Government policies such as affordable housing scheme and initiatives as well as changes in political conditions. Any unfavourable changes may adversely affect our financial performance during the period in which we are undertaking such projects.

In the event of any unfavourable changes in conditions that govern or affect the construction industry, our financial performance may also be adversely affected.

9.2.2 We are subject to competition from other construction companies

We are registered with CIDB under Grade G7 contractor which enables us to undertake contracts without any restrictions on the contract value. As of 29 November 2022, there was an estimated 8,856 Grade G7 building contractors that were registered with the CIDB. (*Source: IMR Report*). Our competitors may have a longer operating track record and more resources in terms of capital, machinery and manpower as compared to our Group. The existence of competition would also result in competitive pressure on various aspects including pricing and timing of completion. Although we have our competitive advantages, there is no assurance that we will be able to compete effectively against our peers. In the event that we are unable to remain competitive or unable to build on our competitive strengths moving forward, our prospects and financial performance may be adversely affected. Please refer to Section 7.3 of this Prospectus for further details on our competitive strengths.

9.2.3 We are subject to economic, social, political and regulatory risks in Malaysia as well as global pandemic risks

Any changes in the political, economic and regulatory conditions in Malaysia could adversely affect our financial performance. Our business is also susceptible to the risks of any outbreak of diseases that could result in localised epidemics or pandemics causing interruptions in our business operations while adversely affecting our financial performance. Please refer to Section 7.12 of this Prospectus for further details on the impact of the COVID-19 pandemic to our business operations.

Changes in the political, social, economic and regulatory conditions could arise from, among others, changes in political leadership, risks of war or civil unrest, changes in import tariffs and related duties, regulatory structures and outbreak of diseases. Similarly, any global or regional economic downturn would also affect overall business and consumer confidence, sentiments as well as investments, which would subsequently affect the demand for our services. As a result, this may cause our customers to revise, defer, halt or abandon their development or expansion plans. There can be no assurance that any adverse political, social, regulatory, economic developments or outbreak of diseases which are beyond our control, will not materially affect our financial performance or the performance of the construction industry in Malaysia.

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9.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

9.3.1 There is no prior market for our Shares

Prior to our Listing, there was no public trading for our Shares. Hence, there is no assurance that upon our Listing, an active market for our Shares will develop, or if developed, that such market can be sustained. There is also no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell our Shares or the prices at which holders would be able to sell our Shares.

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

9.3.2 Our Share price and trading volume may be volatile

The trading price and volume of our Shares could be subject to fluctuations in response 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 material variations in the results of our operations, changes in our Group Managing Director, Executive Director and Key Senior Management, changes in the analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is also very much dependent on external factors such as performance of the regional and global stock exchanges and the flows of foreign funds. Market sentiment is also induced by factors such as the prevailing economic and political conditions of the country as well as the growth potential of various sectors of the economy. Other factors that may negatively affect investor sentiment more generally include natural disasters, health epidemics and outbreaks of contagious diseases. These factors contribute to the volatility of trading volumes on Bursa Securities, thus adding risks to the market price of our Shares.

9.3.3 The interests of our Promoters who control our Company may not be aligned with the interests of our other shareholders

As disclosed in Section 5.1.1 of this Prospectus, our Promoters will collectively hold a controlling interest of approximately 74.50% in our enlarged issued Shares upon Listing. As a result, they will collectively be able to have effective control over the business direction and management of our Company, including the election of Directors, the timing and payment of dividends as well as having substantial voting control and as such, will likely influence the outcome of certain matters requiring the vote of our shareholders, unless they and persons connected with them are required to abstain from voting either by requirement of law and/or by the relevant guidelines or regulations. There can be no assurance that the interests of our Promoters will always be aligned with those of our other shareholders.

9.3.4 There is no assurance of payment of dividends to our shareholders

Our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded, and excess of funds not required to be retained for working capital of our business.

It should be highlighted that as we are a holding company, our Company's income, and therefore our ability to pay dividends, is dependent upon the dividends and other distributions that we receive from our subsidiary. Our subsidiary has entered into facility agreements which contain negative and financial covenants and hence, the inability of our subsidiary to comply with any of these covenants may affect our ability to pay dividends. Furthermore, if we were to obtain new borrowings subsequent to our Listing, we may be subject to additional covenants restricting our ability to pay dividends.

There can be no assurance that dividends will be paid out in the future or on timing of any dividends that are to be paid in the future. If we do not pay dividends or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected.

Please refer to Section 12.8 of this Prospectus for further information on our dividend policy.

9.3.5 There may be potential delay to or failure in our Listing

The occurrence of any one or more of the following events may cause a delay in or failure of our Listing:

(i) our Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligations under such agreement;

(ii) the revocation of approvals from the relevant authorities for our Listing and/or admission for whatever reason; or

(iii) our inability to meet the public shareholding spread requirement under the Listing Requirements, whereby at least 25.00% 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 each at the point of our Listing.

If any of these events occur, investors will not receive any of our IPO 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 IPO 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 the CA 2016 and its related rules. Such cancellation can be implemented by the sanction of our shareholders by special resolution in a general meeting and supported by either:

(i) consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and confirmation by the High Court of Malaya, in which case there can be no assurance that such monies can be recovered within a short period of time in such circumstances; or

(ii) a solvency statement from our Directors.

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10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, subject to certain exemptions, a "**related party transaction**" is a transaction entered into by a listed corporation or its subsidiary, which involves the interest, whether direct or indirect, of a related party. A "**related party**" of a listed corporation is –

(i) a director, having the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed corporation, its subsidiaries or holding company or a chief executive of the listed corporation, its subsidiaries or holding company; or

(ii) a major shareholder, including any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed corporation or its subsidiaries or holding company, having an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares is –

(a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or

(b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation; or

(iii) a person connected with such director or major shareholder.

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10. RELATED PARTY TRANSACTIONS *(cont'd)*

Save as disclosed below, there are no other material existing and/or proposed related party transactions which have been entered into or are to be entered into by our Group which involves the interests, whether direct or indirect, of our Directors, Substantial Shareholders and/or persons connected with them, for FYE 2019, FYE 2020, FYE 2021, FPE 2022 and up to the LPD:

(i) Vestland Resources and Skypark Machineries Sdn. Bhd. ("Skypark Machineries")

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD[7] (RM)
Skypark Machineries	Vestland Resources	• Datuk Liew and SK Wong are our Directors and major shareholders. • Datuk Liew and SK Wong were also directors and major shareholders of Skypark Machineries. • On 1 September 2021 – (a) Datuk Liew disposed 37% equity interest in Skypark Machineries to his brother, Liew Chun Heen and resigned as a director of Skypark Machineries; and (b) SK Wong disposed 23% equity interest in Skypark Machineries to Liew Chun Heen and resigned as a director of Skypark Machineries.	• Rental, utility charges and management fee paid by Skypark Machineries for sharing of our former rented office[1]	**14,665** 0.20% of our Group's PAT	**13,341** 0.19% of our Group's PAT	**7,742** 0.07% of our Group's PAT	-	-
			• Purchase of COVID-19 self-test kits by Skypark Machineries from Vestland Resources[2]	-	**2,820** 0.04% of our Group's PAT	-	-	-
			• Machinery service and repair expenses charged by Skypark Machineries[3] [8]	**36,615** 0.04% of our Group's cost of sales ("**COS**")	**27,587** 0.03% of our Group's COS	**33,372** 0.02% of our Group's COS	**59,996** 0.05% of our Group's COS	**16,867**
			• Rental of construction equipment by Vestland Resources from Skypark Machineries[4] [8]	**1,285,501** 1.49% of our Group's COS	**1,055,090** 1.27% of our Group's COS	**1,927,818** 1.31% of our Group's COS	**2,002,597** 1.67% of our Group's COS	**1,045,760**

10. RELATED PARTY TRANSACTIONS *(cont'd)*

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD[7] (RM)
		• Following the above, Datuk Liew's brother, Liew Chun Heen and Datuk Liew's brother-in-law, See Chee Kian are the directors and major shareholders of Skypark Machineries holding 80% and 20% equity interest in Skypark Machineries respectively.	• Purchase of hardware and rental of lorries by Vestland Resources from Skypark Machineries[5] [8]	**188,947** 0.22% of our Group's COS	**139,066** 0.17% of our Group's COS	**197,929** 0.13% of our Group's COS	**185,862** 0.16% of our Group's COS	**1,100**
			• Contract cost charged by Skypark Machineries for subcontract work[6]	-	**1,251,000** 1.51% of our Group's COS	-	-	-
			• Purchase of one unit of concrete grinder by Vestland Resources from Skypark Machineries[2]	-	-	**4,300** 0.01% of our Group's NA	-	-

Notes:

(1) Vestland Resources had rented –

*(a) the office premise known as Unit D-09-03, Menara Mitraland, No.13A, Jalan PJU 5/1, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor ("**Unit D-09-03**") from Jeffrey Ng Eow Oo and Lam May Yee from 10 September 2016 to 9 September 2019 at a monthly rental of RM1,820 and from 10 September 2019 to 9 September 2021 at a monthly rental of RM2,022 ("**D-09-03 Tenancy**"); and*

*(b) the office premise known as Unit D-08-08, Menara Mitraland, No.13A, Jalan PJU 5/1, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor ("**Unit D-08-08**") from Tay Aik Tiong from 1 July 2017 to 31 July 2019 at a monthly rental of RM1,633 ("**D-08-08 Tenancy**"). The parties have via a letter of extension dated 15 July 2019, extended the tenancy for a further term of 2 years from 1 August 2019 to 31 July 2021, at a revised monthly rental of RM1,796.*

10. RELATED PARTY TRANSACTIONS *(cont'd)*

Vestland Resources had subsequently shared part of the office premises at Unit D-09-03 from January 2019 to September 2019 and Unit D-08-08 from October 2019 to July 2021 with Skypark Machineries. The monthly rental paid by Skypark Machineries was the apportioned rental ought to be paid by Vestland Resources to the landlords. The aforementioned office premises were utilised by Skypark Machineries as its business office.

On top of the apportioned monthly rental fee, Vestland Resources also charged Skypark Machineries monthly utility charges for the usage of electricity, photocopy machine and telephone services at the office premises as well as management fees at the rate of 3% of the monthly rental fee and utility charges, being the general administrative works done by Vestland Resources for the office sharing arrangement.

Under the terms of the tenancy agreements for Unit D-09-03 and Unit D-08-08, Vestland Resources was required to obtain the prior written consent of the respective landlords for the sub-let of such premises. However, such written consent was not obtained in view that at the time the office sharing arrangement was entered into, Skypark Machineries was considered by Vestland Resources to be an affiliated company of Vestland Resources and/or its shareholders. Nonetheless, the D-09-03 Tenancy and D-08-08 Tenancy are no longer subsisting and Vestland Resources had discontinued the office sharing arrangement with Skypark Machineries for Unit D-09-03 subsequent to September 2019 and for Unit D-08-08 subsequent to July 2021. Accordingly, this transaction has since ceased.

(2) This transaction is one-off.

(3) Skypark Machineries provides machinery services and repair services in respect of the machineries of Vestland Resources, including mortar pump, grinder, fogging machine, plunger pump and robin engine.

(4) Vestland Resources rents construction equipment such as crane, skylift and concrete pumps from Skypark Machineries.

(5) Vestland Resources purchases hardware, including drill, drill bit, pump, hose and gas refill from Skypark Machineries.

(6) Vestland Resources subcontracted to Skypark Machineries for the supply of labour and material to construct the retaining wall for the Glenz Mixed Commercial Development Project at an agreed subcontract sum of RM1.25 million vide a letter of award dated 13 May 2020 and the subcontract work was completed in July 2020.

For information purposes, Skypark Machineries is a corporation related to one of our Director, Datuk Liew, based on the nature of relationship as disclosed in the table above. Datuk Liew is neither a director nor a substantial shareholder of Skypark Machineries. Additionally, he is also not involved in the operations of Skypark Machineries. Furthermore, the award of subcontract work is one-off and Vestland Resources has since ceased engaging Skypark Machineries as a subcontractor for its projects. Arising therefrom, there will not be any potential conflict of interest situation in view of the aforementioned.

As at the date of this Prospectus, Skypark Machineries is not involved in similar business activities to that of our Group as they are principally involved in letting of mobile cranes and sales of hardware whilst our Group is principally involved in building construction.

(7) Percentage contributions are not available as there is no audited financial statements for the period from 1 July 2022 up to the LPD for our Group.

(8) These transactions are recurrent in nature and will subsist after our Listing.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(ii) Vestland Resources and VLR Power Sdn. Bhd. ("VLR Power")

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
VLR Power	Vestland Resources	• Datuk Liew and SK Wong are our Directors and major shareholders. • Datuk Liew was also a major shareholder of VLR Power holding 74% equity interest in VLR Power. • SK Wong was also a director and shareholder of VLR Power holding 6% equity interest in VLR Power. • On 1 November 2021 – (a) Datuk Liew disposed 74% equity interest in VLR Power to a third party; and (b) SK Wong disposed 6% equity interest in VLR Power to a third party and resigned as a director of VLR Power.	• Contract cost charged by VLR Power for subcontract work[(1)]	**59,890** 0.07% of our Group's COS	-	-	-	-

Note:

(1) Vestland Resources subcontracted to VLR Power for the provision of electrical works for the Disable Home Project at an agreed subcontract sum of RM0.34 million (which was subsequently revised to RM0.26 million) vide a letter of award dated 19 February 2017 and the subcontract work was completed in July 2018 and VLR Power had subsequently billed Vestland Resources for the remaining contract cost in July 2019.

The award of subcontracting work is one-off and Vestland Resources has since ceased engaging VLR Power as a subcontractor for its projects.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(iii) Vestland Resources and VA Majestic Sdn. Bhd. ("VA Majestic")

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
VA Majestic	Vestland Resources	• Datuk Liew and SK Wong are our Directors and major shareholders. • Datuk Liew was also a director of VA Majestic. • VA Majestic was a wholly-owned subsidiary of V Group Land, where – (a) Datuk Liew is a director and major shareholder of V Group Land holding 83% equity interest in V Group Land; and (b) SK Wong is a director and major shareholder of V Group Land holding 15% equity interest in V Group Land. • On 24 August 2021, Datuk Liew resigned as a director of VA Majestic. • On 11 October 2021, V Group Land disposed its entire equity interest in VA Majestic to a third party.	• Contract cost charged by Vestland Resources to VA Majestic[1]	**1,215,855** 1.23% of our Group's revenue	**675,000** 0.69% of our Group's revenue	-	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

Note:

(1) VA Majestic awarded Vestland Resources the Putrajaya Hotel Project at an agreed contract sum of RM1.10 million (which was subsequently revised to RM1.22 million) vide a letter of award dated 24 December 2018 and the refurbishment work was completed in May 2019. Upon completion of the refurbishment work, Vestland Resources had also carried out maintenance and rectification work for the Putrajaya Hotel Project from July 2019 to December 2019. The maintenance and rectification work was completed in December 2019 and Vestland Resources had subsequently billed VA Majestic for the contract cost in respect of the maintenance and rectification work in January 2020.

The award is one-off and VA Majestic has since ceased engaging Vestland Resources as contractor for its projects.

(iv) Vestland Resources and Crave Alive Sdn. Bhd. ("Crave Alive")

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
Crave Alive	Vestland Resources	• Datuk Liew and SK Wong are our Directors and major shareholders. • Datuk Liew was also a major shareholder of Crave Alive holding 41.65% equity interest in Crave Alive. • SK Wong was also a director and shareholder of Crave Alive holding 7.35% equity interest in Crave Alive. • Crave Alive had been struck off on 12 August 2021.	• Progress billings issued to Crave Alive for renovation work(1)	**2,138,762** 2.17% of our Group's revenue	-	**(46,500)**(2) 0.03% of our Group's revenue	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

Notes:

(1) Crave Alive awarded Vestland Resources the Entertainment Studio Project at an agreed contract sum of RM2.14 million vide a letter of award dated 16 April 2019 and the renovation work was completed in June 2019.

The award is one-off and Crave Alive has since ceased engaging Vestland Resources as contractor for its projects. Moving forward, there will be no transaction with Crave Alive as it had been struck off on 12 August 2021.

(2) On 2 June 2021, Vestland Resources and Crave Alive had agreed on the variation order amount for the Entertainment Studio Project undertaken by Vestland Resources as referred to in Note (1) above, which arose due to a change in the scope of work in respect of the project during the course of the project. Accordingly, this led to a reduction in the contract sum to RM2.09 million and a consequent adjustment to our revenue.

(v) Vestland Resources and Next Gen Themepark Sdn. Bhd. ("Next Gen")

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
Next Gen	Vestland Resources	• Datuk Liew and SK Wong are our Directors and major shareholders. • Datuk Liew's wife, Datin Fong Chooi Har ("**Datin Fong**") was a director and shareholder of Vestland Resources holding 2% equity interest in Vestland Resources. • On 4 February 2021, Datin Fong resigned as a director of Vestland Resources. • On 4 January 2022, Datin Fong disposed 2% equity interest in Vestland Resources to Datuk Liew.	• Rental, utility charges and management fee paid by Next Gen for sharing of our former rented office(1)	**10,527** 0.15% of our Group's PAT	**31,767** 0.44% of our Group's PAT	**10,121** 0.10% of our Group's PAT	-	-
			• Renovation fees paid by Next Gen for renovation of our former rented office(2)	**2,924** 0.04% of our Group's PAT	**11,664** 0.17% of our Group's PAT	**1,944** 0.02% of our Group's PAT	-	-
			• Accounting fees paid by Next Gen for sharing of Vestland Resources' in-house accountant(3)	**9,000** 0.13% of our Group's PAT	**31,500** 0.45% of our Group's PAT	**3,000** 0.03% of our Group's PAT	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
		• Datin Fong is also a director and major shareholder of Next Gen holding 43% equity interest in Next Gen.	• Purchase of COVID-19 self-test kits by Next Gen from Vestland Resources[(4)]	-	**1,200** 0.02% of our Group's PAT	-	-	-
		• SK Wong's wife, Wong Pit Ann is also a director and shareholder of Next Gen holding 8% equity interest in Next Gen.	• Purchase of face masks and hand sanitizers by Vestland Resources from Next Gen[(5)]	-	**338,646** 4.83% of our Group's PAT	**14,362** 0.14% of our Group's PAT	-	-
			• Payments made on behalf of Next Gen by Vestland Resources for professional fees (i.e. lawyers and consultants) as well as booking fees for rental of a designated area in Southkey Megamall in Johor Bahru, Johor by Next Gen	**109,929** 0.38% of our Group's NA	-	-	-	-
			• Advances provided by Vestland Resources to Next Gen	**5,000** 0.02% of our Group's NA	**50,000** 0.15% of our Group's NA	**194,110** 0.42% of our Group's NA	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
			• Payments made on behalf of Next Gen by Vestland Resources for the purchasing of face masks and sanitizers	-	**993,366** 2.77% of our Group's NA	-	-	-

Notes:

(1) Vestland Resources had rented the office premise known as Unit D-09-03 pursuant to the D-09-03 Tenancy.

Vestland Resources had subsequently shared part of the office premises at Unit D-09-03 from August 2019 to April 2021 with Next Gen. The monthly rental paid by Next Gen was the apportioned rental ought to be paid by Vestland Resources to the landlords. The aforementioned office premises were utilised by Next Gen as its business office.

On top of the apportioned monthly rental fee, Vestland Resources also charged Next Gen monthly utility charges for the usage of electricity, photocopy machine and telephone services at the office premises as well as management fees at the rate of 3% of the monthly rental fee and utility charges, being the general administrative works done by Vestland Resources for the office sharing arrangement.

Under the terms of the tenancy agreement for Unit D-09-03, Vestland Resources was required to obtain the prior written consent of the landlord for the sub-let of the premise. However, such written consent was not obtained in view that at the time the office sharing arrangement was entered into, Next Gen was considered by Vestland Resources to be an affiliated company of Vestland Resources and/or its shareholders. Nonetheless, the D-09-03 Tenancy is no longer subsisting and Vestland Resources had discontinued the office sharing arrangement with Next Gen subsequent to April 2021. Accordingly, this transaction has since ceased.

(2) Vestland Resources had charged Next Gen renovation fees for the renovation works carried out on the shared office premises, being Unit D-09-03. The renovation fees paid by Next Gen was based on the renovation fees charged by a third-party contractor who carried out the renovation works and Vestland Resources charged Next Gen for such renovation fees over a 17-month billing period. In consideration of Vestland Resources paying the renovation fees to such contractor on behalf of Next Gen, Vestland Resources also charged Next Gen management fees at the rate of 3% of the renovation fees, being the general administrative works done by Vestland Resources on behalf of Next Gen. Our Directors are of the view that the management fees charged are transacted on an arm's length basis upon taking into consideration that Vestland Resources also charged management fees at the similar rate of 3% to third parties for general administrative works done. The renovation fees (together with the management fees) had been fully paid.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

There is no comparable information to ascertain whether the 17-month billing period was based on commercial terms and at a market rate. Therefore, we are unable to conclude that this transaction was carried out on an arm's length basis. Nonetheless, our Directors are of the opinion that such allocation of renovation fees are not detrimental to our Group as it is not material (i.e. less than 1%) as compared to our Group's PAT for the relevant FYEs it was incurred. This transaction has since ceased in view of the discontinuance of office sharing arrangement as disclosed in Note (1) above.

(3) Vestland Resources had charged Next Gen accounting fees for the sharing of Vestland Resources' in-house accountant based on time-costs incurred by the accountant for managing and preparing the accounts of Next Gen. In consideration of Vestland Resources sharing its in-house accountant with Next Gen, Vestland Resources also charged Next Gen management fees at the rate of 3% of the time-costs incurred by the accountant, being the general administrative works done by Vestland Resources during the course of managing and preparing the accounts of Next Gen. Our Directors are of the view that the management fees charged are transacted on an arm's length basis upon taking into consideration that Vestland Resources also charged management fees at the similar rate of 3% to third parties for general administrative works done.

There is no comparable information to ascertain whether the basis of charging the accounting fees to Next Gen was based on commercial terms and at a market rate. Therefore, we are unable to conclude that this transaction was carried out on an arm's length basis. Nonetheless, our Directors are of the opinion that such accounting fees charged to Next Gen are not detrimental to our Group as it is not material (i.e. less than 1%) as compared to our Group's PAT for the relevant FYEs it was incurred. This transaction has since ceased and moving forward, we will no longer be entering into such arrangements.

(4) This transaction is one-off.

(5) Vestland Resources purchased face masks and hand sanitizers from Next Gen since the first movement control order implemented by the Government of Malaysia in March 2020 to curb the COVID-19 outbreak as Next Gen had managed to secure the supply of face masks and hand sanitizers during the COVID-19 pandemic.

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10. RELATED PARTY TRANSACTIONS *(cont'd)*

(vi) Vestland Resources and Next Gen (1U) Themepark Sdn. Bhd. ("Next Gen 1U")

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD[4] (RM)
Next Gen 1U [5]	Vestland Resources	• Datuk Liew and SK Wong are our Directors and major shareholders. • Datuk Liew's wife, Datin Fong was a director of and a shareholder of Vestland Resources holding 2% equity interest in Vestland Resources. • On 4 February 2021, Datin Fong resigned as a director of Vestland Resources. • On 4 January 2022, Datin Fong disposed 2% equity interest in Vestland Resources to Datuk Liew. • Datin Fong is also a director and major shareholder of Next Gen 1U holding 43% equity interest in Next Gen 1U. • SK Wong's wife, Wong Pit Ann is also a director and shareholder of Next Gen 1U holding 8% equity interest in Next Gen 1U.	• Rental and management fee paid by Next Gen 1U for sharing of our rented office[1]	-	**13,544** 0.19% of our Group's PAT	**10,743** 0.10% of our Group's PAT	-	-
			• Utility charges paid by Next Gen 1U for sharing of our rented office[2]	-	**6,392** 0.09% of our Group's PAT	**2,085** 0.02% of our Group's PAT	-	-
			• Payments made on behalf of Next Gen 1U by Vestland Resources for the payment of booking fee, fit-out deposit, security deposit for rental of a designated area in 1 Utama Shopping Centre, Petaling Jaya, Selangor by Next Gen 1U	**475,846** 1.65% of our Group's NA	-	-	-	-
			• Advances provided by Vestland Resources to Next Gen 1U	-	**250,000** 0.70% of our Group's NA	**440,000** 0.95% of our Group's NA	-	-
			• Contract cost charged by Vestland Resources to Next Gen 1U[3]	-	-	**1,172,250** 0.69% of our Group's revenue	**738,070** 0.53% of our Group's revenue	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

Notes:

*(1) Vestland Resources had rented the office premise known as D-08-3A, Menara Mitraland, No.13A, Jalan PJU 5/1, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan ("**Unit D-08-3A**") from Christina Kow Sow Choo from 10 September 2016 to 9 September 2019 at a monthly rental of RM2,608 and from 10 September 2019 to 9 December 2022 at a monthly rental of RM2,898 ("**D-08-3A Tenancy**").*

Vestland Resources had subsequently shared part of the office premises at Unit D-08-3A from August 2020 to April 2021 with Next Gen 1U. The monthly rental paid by Next Gen 1U was the apportioned rental based on the area of the office premise occupied by Next Gen 1U. The aforementioned office premises were utilised by Next Gen 1U as its business office.

On top of the apportioned monthly rental fee, Vestland Resource also charged Next Gen 1U monthly utility charges for electricity, photocopy machine and telephone services at the office premises as well as management fees at the rate of 3% of the monthly rental fee and utility charges (as disclosed in Note (2) below), being the general administrative works done by Vestland Resources for the office sharing arrangement.

Under the terms of the tenancy agreement for Unit D-08-3A, Vestland Resources was required to obtain the prior written consent of the landlord for the sub-let of the premise. However, such written consent was not obtained in view that at the time the office sharing arrangement was entered into, Next Gen 1U was considered by Vestland Resources to be an affiliated company of Vestland Resources and/or its shareholders. Nonetheless, the D-08-3A Tenancy is no longer subsisting and Vestland Resources had discontinued the office sharing arrangement with Next Gen 1U subsequent to April 2021. Accordingly, this transaction has since ceased.

(2) Vestland Resources had charged Next Gen 1U utility charges for electricity, photocopy machine and telephone services at the shared office premises, being Unit D-08-3A.

There is no comparable information to ascertain whether the basis of allocating the said utility charges to Next Gen 1U was based on commercial terms and at a market rate. Therefore, we are unable to conclude that this transaction was carried out on an arm's length basis. Nonetheless, our Directors are of the opinion that such allocation of utility charges are not detrimental to our Group as it is not material (i.e. less than 1%) as compared to our Group's PAT for the relevant FYEs it was incurred.

As disclosed in Note (1) above, the office sharing arrangement had been discontinued. As such, this transaction has since ceased.

(3) Next Gen 1U awarded Vestland Resources the Themepark Project at an agreed contract sum of RM2.10 million vide a letter of award dated 11 November 2020 and the project was completed on 31 March 2022.

The award is one-off and Next Gen 1U has since ceased engaging Vestland Resources as contractor for its projects.

(4) Percentage contributions are not available as there is no audited financial statements for the period from 1 July 2022 up to the LPD for our Group.

(5) As at the LPD, Next Gen 1U is principally involved in retail sale of beverages and organization, promotion and/or management of event. The aforesaid principal activities of Next Gen 1U is not conflicting with the Group's principal activities of building construction.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(vii) Vestland Resources and Vic-Aire Holiday Sdn. Bhd. ("Vic-Aire Holiday")

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
Vic-Aire Holiday	Vestland Resources	• Datuk Liew and SK Wong are our Directors and major shareholders. • Datuk Liew's wife, Datin Fong was a director and a shareholder of Vestland Resources holding 2% equity interest in Vestland Resources. • On 4 February 2021, Datin Fong resigned as a director of Vestland Resources. • On 4 January 2022, Datin Fong disposed her 2% equity interest in Vestland Resources to Datuk Liew. • SK Wong was a director of Vic-Aire Holiday. • Vic-Aire Holiday was a 66%-owned subsidiary (of which the remaining 34% equity interest is held by a third party) of V Group Land, where Datuk Liew, SK Wong and Datin Fong are also directors and shareholders of V Group Land holding equity interest of 83%, 15% and 2% respectively, in V Group Land.	• Payment by Vestland Resources to Vic-Aire Holiday for organising company trip for Vestland Resources	**51,800** 0.72% of our Group's PAT	-	-	-	-
			• Advances provided by Vestland Resources to Vic-Aire Holiday	**100,000** 0.35% of our Group's NA	**209,000** 0.58% of our Group's NA	-	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
		• On 6 September 2021, V Group Land disposed all of its 66% equity interest in Vic-Aire Holiday to a third party and SK Wong had resigned as a director of Vic-Aire Holiday.						

(viii) Vestland Resources and Jun Tractor Sdn. Bhd. ("Jun Tractor")

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD[7] (RM)
Jun Tractor	Vestland Resources	• Datuk Liew is our Director and major shareholder. • Datuk Liew's brother, Liew Chun Heen, is a director and major shareholder of Jun Tractor holding 50% equity interest in Jun Tractor. • Datuk Liew's sister-in-law, Toh Tze Wooi, who is the wife of Liew Chun Heen, is a director and major shareholder of Jun Tractor holding 50% equity interest in Jun Tractor.	• Progress billings issued to Jun Tractor for subcontract work[1]	**427,441** 0.43% of our Group's revenue	-	-	-	-
			• Rental, utilities charges, parking charges and management fee paid by Jun Tractor for sharing of our former rented office[2]	**19,686** 0.27% of our Group's PAT	**18,524** 0.26% of our Group's PAT	**8,615** 0.08% of our Group's PAT	-	-
			• Purchase of COVID-19 self-test kits, face masks and sanitisers by Jun Tractor from Vestland Resources[3]	-	**4,822** 0.07% of our Group's PAT	-	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD[7] (RM)
			• Contract cost charged by Jun Tractor to Vestland Resources[4]	**333,876** 0.39% of our Group's COS	**1,356,202** 1.64% of our Group's COS	-	-	-
			• Rental of construction equipment by Vestland Resources from Jun Tractor[5] [8]	**1,422,490** 1.65% of our Group's COS	**918,527** 1.11% of our Group's COS	**1,509,186** 1.02% of our Group's COS	**2,232,304** 1.86% of our Group's COS	**3,188,098**
			• Management fee paid by Vestland Resources for the award of subcontract work[6]	**16,980** 0.02% of our Group's COS	-	-	-	-

Notes:

(1) Jun Tractor subcontracted to Vestland Resources for construction work under the Genting Midhill Project at an agreed subcontract sum of RM8.60 million vide a letter of award dated 15 December 2015. The subcontract work was completed in December 2018 and Vestland Resources had subsequently billed Jun Tractor for the remaining contract cost in February 2019.

For information purposes, Jun Tractor is a corporation related to one of our Director, Datuk Liew, based on the nature of relationship as disclosed in the table above. Datuk Liew is neither a director nor a substantial shareholder of Jun Tractor. Additionally, he is also not involved in the operations of Jun Tractor. Furthermore, the award of subcontract work is one-off and Jun Tractor has since ceased engaging Vestland Resources as subcontractor for its projects. Arising therefrom, there will not be any potential conflict of interest situation in view of the aforementioned.

As at the date of this Prospectus, Jun Tractor is not involved in similar business activities to that of our Group as they are principally involved in rental of heavy machineries whilst our Group is principally involved in building construction.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(2) Vestland Resources had rented –

(a) the office premise known as Unit D-09-03 pursuant to D-09-03 Tenancy; and
(b) the office premise known as Unit D-08-08 pursuant to D-08-08 Tenancy.

Vestland Resources had subsequently shared part of the office premises at Unit D-09-03 from January 2019 to September 2019 and Unit D-08-08 from October 2019 to July 2021 with Jun Tractor. The monthly rental paid by Jun Tractor was the apportioned rental ought to be paid by Vestland Resources to the landlords. The aforementioned office premises were utilised by Jun Tractor as its business office.

On top of the apportioned monthly rental fee, Vestland Resources also charged Jun Tractor monthly utility charges for the usage of electricity, photocopy machine and telephone services at the office premises and monthly parking charges as well as monthly management fees at the rate of 3% of the monthly rental fee, utility charges and parking charges, being the general administrative works done by Vestland Resources for the office sharing arrangement.

Under the terms of the tenancy agreements for Unit D-09-03 and Unit D-08-08, Vestland Resources was required to obtain the prior written consent of the respective landlords for the sub-let of such premises. However, such written consent was not obtained in view that at the time the office sharing arrangement was entered into, Jun Tractor was considered by Vestland Resources to be an affiliated company of Vestland Resources and/or its shareholders. Nonetheless, the D-09-03 Tenancy and D-08-08 Tenancy are no longer subsisting and Vestland Resources had discontinued the office sharing arrangement with Jun Tractor for Unit D-09-03 subsequent to September 2019 and for Unit D-08-08 subsequent to July 2021. Accordingly, this transaction has since ceased.

(3) This transaction is one-off.

(4) In 2019, Vestland Resources had engaged Jun Tractor for the supply of labour and site clearance works for the Genting Midhill Project (mainly for rectification works amounting to approximately RM0.26 million), Glenz Mixed Commercial Development Project and Kalista Park Homes Project. For information purposes, whilst Vestland Resources has been appointed by Jun Tractor to undertake the Genting Midhill Project for a total contract sum of RM8.60 million, the rectification works represents a minor portion of the work done, i.e. less than 5% of the agreed subcontract sum of RM8.60 million.

In 2020, Vestland Resources subcontracted to Jun Tractor for earthworks for the Glenz Mixed Commercial Development Project at an agreed subcontract sum of RM1.30 million vide a letter of award dated 5 May 2020 and the aforementioned work was completed in July 2020. In addition, Vestland Resources had also engaged Jun Tractor for site clearance works for the Glenz Mixed Commercial Development Project.

The award of subcontract work is one-off and Vestland Resources has since ceased engaging Jun Tractor as subcontractor for its projects.

(5) Vestland Resources rents construction equipment such as backhoe, excavator and hydraulic compactor from Jun Tractor.

(6) In consideration of Jun Tractor awarding the Genting Midhill Project to Vestland Resources as set out in Note (1) above, Vestland Resources paid Jun Tractor management fee at the rate of 2% of the agreed subcontract sum of RM8.60 million. The management fee represents an administrative fee charged by Jun Tractor for the procurement of the project, which is, to the best of our knowledge, not a common practice within the construction industry. Nonetheless, our Directors are of the opinion that such management fees paid are not detrimental to our Group as it is not material (i.e. less than 1% as compared to our Group's COS for the relevant FYEs it was incurred).

(7) Percentage contributions are not available as there is no audited financial statements for the period from 1 July 2022 up to the LPD for our Group.

(8) This transaction is recurrent in nature and will subsist after our Listing.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(ix) Vestland Resources and V Group Land

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
V Group Land	Vestland Resources	• Datuk Liew and SK Wong are our Directors and major shareholders. • Datuk Liew's wife, Datin Fong was a director and a shareholder of Vestland Resources holding 2% equity interest in Vestland Resources. • On 4 February 2021, Datin Fong resigned as a director of Vestland Resources. • On 4 January 2022, Datin Fong disposed her 2% equity interest in Vestland Resources to Datuk Liew. • Datuk Liew, SK Wong and Datin Fong are also directors and shareholders of V Group Land holding equity interest of 83%, 15% and 2% respectively in V Group Land.	• Novation arrangement of condominium by Vestland Resources to V Group Land[(1)]	**727,515** 2.53% of our Group's NA	-	-	-	-
			• Payments made on behalf of V Group Land by Vestland Resources for the acquisition of shares in Vic-Aire Holiday	**17,708** 0.06% of our Group's NA	-	-	-	-
			• Advances provided by Vestland Resources to V Group Land	**199,613** 0.69% of our Group's NA	-	-	-	-

Note:

(1) As part of Vestland Resources' settlement arrangement with its client, Vestland Resources had on 19 December 2018 nominated V Group Land as its nominee to receive one unit of condominium bearing postal address of T2-06-08, Midhills, Jalan Jaya Permai, Genting Highland, 69000 Genting Highland, Pahang on behalf of Vestland Resources. As at the LPD, V Group Land has fully repaid the amount due to Vestland Resources arising from the said novation arrangement.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(x) Vestland Resources and The Glenz Hotel Sdn. Bhd. ("The Glenz Hotel")

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
The Glenz Hotel	Vestland Resources	• Datuk Liew and SK Wong are our Directors and major shareholders. • Datuk Liew and SK Wong were directors and major shareholders of The Glenz Hotel holding 85% and 15% equity interest respectively in The Glenz Hotel. • On 8 March 2022, Datuk Liew and SK Wong disposed their 85% and 15% equity interest in The Glenz Hotel respectively, to a third party.	• Payments made on behalf of The Glenz Hotel by Vestland Resources for payment of deposit and payment of market study fees	**33,925** 0.12% of our Group's NA	-	-	-	-
			• Advances provided by Vestland Resources to The Glenz Hotel	**10,000** 0.03% of our Group's NA	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(xi) Vestland Resources and The Tents Sdn. Bhd. ("The Tents")

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
The Tents	Vestland Resources	• Datuk Liew is our Director and major shareholder. • Datuk Liew's wife, Datin Fong was a director and a shareholder of Vestland Resources holding 2% equity interest in Vestland Resources. • On 4 February 2021, Datin Fong resigned as a director of Vestland Resources. • On 4 January 2022, Datin Fong disposed her 2% equity interest in Vestland Resources to Datuk Liew. • Datuk Liew was a director of The Tents. • The Tents was a 49%-owned associate company of V Group Land, where Datuk Liew, SK Wong and Datin Fong are also directors and shareholders of V Group Land holding equity interest of 83%, 15% and 2% respectively in V Group Land.	• Payments made on behalf of The Tents by Vestland Resources for payment of incorporation fees of The Tents	**2,587** Negligible % of our Group's NA	-	-	-	-
			• Payments made on behalf of The Tents by Vestland Resources for payment of secretarial fees	-	**1,013** Negligible % of our Group's NA	-	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
		• On 27 September 2021, V Group Land disposed all of its 49% equity interest in The Tents to a third party and Datuk Liew resigned as a director of The Tents.						

(xii) Vestland Resources and V Realty

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
V Realty	Vestland Resources	• Datuk Liew and SK Wong are our Directors and major shareholders. • Datuk Liew is also a director and major shareholder of V Realty holding 80% equity interest in V Realty. • SK Wong is also a director and major shareholder of V Realty holding 20% equity interest in V Realty.	• Payments made on behalf of V Realty by Vestland Resources for payment of incorporation fees of V Realty	-	**2,587** Negligible % of our Group's NA	-	-	-

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(xiii) Vestland Resources and Top Stream Realty Sdn. Bhd. ("Top Stream")

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
Top Stream	Vestland Resources	• Datuk Liew is our Director and major shareholder. • Datuk Liew is also a director and major shareholder of Top Stream holding 100% equity interest in Top Stream. • Top Stream had been struck off on 23 October 2020.	• Novation arrangement of condominium by Vestland Resources to Top Stream[(1)]	**2,421,395** 8.41% of our Group's NA	-	-	-	-
			• Payments made on behalf of Top Stream by Vestland Resources for payment of utility expenses mainly relating to the three units of condominium at the Genting Midhills Project	**9,493** 0.03% of our Group's NA	-	-	-	-
			• Advances provided by Vestland Resources to Top Stream	**5,000** 0.02% of our Group's NA	-	-	-	-

Note:

(1) As part of Vestland Resources' settlement arrangement with its client, Vestland Resources had on 19 December 2018 nominated Top Stream as its nominee to receive three units of condominium bearing postal address of T1-13A-01, T3-07-06 and T3-08-05, Midhills, Jalan Jaya Permai, Genting Highland, 69000 Genting Highland, Pahang on behalf of Vestland Resources. As at the LPD, Top Stream has fully repaid the amount due to Vestland Resources arising from the said novation arrangement. Moving forward, there will be no transaction with Top Stream as it had been struck off on 23 October 2020.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(xiv) Vestland Resources and Next Gen Holding Sdn. Bhd. ("Next Gen Holding")

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
Next Gen Holding	Vestland Resources	• Datuk Liew and SK Wong are our Directors and major shareholders. • Datuk Liew's wife, Datin Fong was a director of and a shareholder of Vestland Resources holding 2% equity interest in Vestland Resources. • On 4 February 2021, Datin Fong resigned as a director of Vestland Resources. • On 4 January 2022, Datin Fong disposed her 2% equity interest in Vestland Resources to Datuk Liew. • Datin Fong is also a director and major shareholder of Next Gen Holding holding 43% equity interest in Next Gen Holding. • SK Wong's wife, Wong Pit Ann is also a director and shareholder of Next Gen Holding holding 8% equity interest in Next Gen Holding. • The remaining 49% equity interest in Next Gen Holding is held by a third party.	• Payments made on behalf of Next Gen Holding by Vestland Resources for the payment of booking fee, fit-out deposit, security deposit for rental of a designated area in KSL Esplanade Mall, Klang, Selangor by Next Gen Holding ("**KSL Tenancy**")[(1)]	-	**204,090** 0.57% of our Group's NA	-	-	-
			• Contribution to fit-out works received by Vestland Resources from the landlord on behalf of Next Gen Holding in relation to the KSL Tenancy[(1)]	-	**750,000** 2.09% of our Group's NA	-	-	-

Note:

(1) Vestland Resources (as tenant) had on 12 May 2020 entered into a tenancy agreement with KSL City Management Sdn. Bhd. (as landlord) for the KSL Tenancy. Subsequently, Vestland Resources novated all its rights, title, interest and benefits under such tenancy agreement to Next Gen Holding with effect from 6 October 2020. Pursuant to the aforesaid novation, (a) Next Gen Holding has fully repaid the payments made by Vestland Resources on behalf of Next Gen Holding; and (b) Vestland Resources has returned all the contribution to fit-out works received by Vestland Resources on behalf of Next Gen Holding, in relation to the KSL Tenancy to Next Gen Holding.

(xv) Vestland Resources and New Micro Interior Design Sdn. Bhd. ("New Micro")

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD[2] (RM)
New Micro	Vestland Resources	• SK Wong is our Director and major shareholder. • SK Wong's wife, Wong Pit Ann is a director and major shareholder of New Micro holding 36% equity interest in New Micro (of which the remaining 64% equity interest is held by third parties).	• Contract cost charged by New Micro to Vestland Resources[1]	-	-	**391,520** 0.27% of our Group's COS	**150,010** 0.13% of our Group's COS	-

Notes:

(1) Vestland Resources subcontracted to New Micro for carpentry works for lift lobby for the Glenz Mixed Commercial Development Project at an agreed subcontract sum of RM0.29 million vide a letter of award dated 3 September 2021.

Vestland Resources had also subcontracted to New Micro for interior fit-out works for the Themepark Project at an agreed subcontract sum of RM0.14 million vide a letter of award dated 16 April 2021.

For information purposes, New Micro is a corporation related to one of our Director, SK Wong, based on the nature of relationship as disclosed in the table above. SK Wong is neither a director nor a substantial shareholder of New Micro. Additionally, he is also not involved in the operations of New Micro. Furthermore, the above subcontract works was completed in March 2022 and Vestland Resources has since ceased engaging New Micro as a subcontractor for its projects. Arising therefrom, there will not be any potential conflict of interest situation in view of the aforementioned.

As at the date of this Prospectus, New Micro is not involved in similar business activities to that of our Group as they are principally involved in the provision of interior design and renovation services whilst our Group is principally involved in building construction.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(2) Percentage contributions are not available as there is no audited financial statements for the period from 1 July 2022 up to the LPD for our Group.

(xvi) Vestland Resources and Farmer Feast Sdn. Bhd. ("Farmer Feast")

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
Farmer Feast	Vestland Resources	• Datuk Liew is our Director and major shareholder. • Datuk Liew was also a director of Farmer Feast which he had resigned in December 2020. • Datuk Liew is also a major shareholder of Farmer Feast holding 20% equity interest in Farmer Feast.	• Purchase of face masks and hand sanitizers by Farmer Feast from Vestland Resources[(1)]	-	**1,944** 0.03% of our Group's PAT	-	-	-

Note:

(1) This transaction is one-off.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(xvii) Vestland Resources and Liew Chun Heen

Related party	Transacting company in our Group	Nature of relationship	Nature of transaction	FYE 2019 (RM)	FYE 2020 (RM)	FYE 2021 (RM)	FPE 2022 (RM)	From 1 July 2022 up to the LPD (RM)
Liew Chun Heen	Vestland Resources	• Datuk Liew is our Director and major shareholder. • Datuk Liew is the brother of Liew Chun Heen.	• Purchase of a pickup truck by Vestland Resources from Liew Chun Heen for our Group's operations purposes [(1)]	**56,000** 0.19% of our Group's NA	-	-	-	-

Note:

(1) This transaction is one-off.

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10. RELATED PARTY TRANSACTIONS *(cont'd)*

Save for the related party transaction set out in Notes (2) and (3) to paragraph (v) and Note (2) to paragraph (vi) above, and the transactions in relation to expenses paid on behalf of our related parties and advances given to our related parties, our Directors confirm that all the other related party transactions were transacted on an arm's length basis and on normal commercial terms not more favourable to the related parties upon taking into consideration that such transactions were comparable to those generally charged and/or quoted to/by third parties for similar transactions. However, the related party transactions which were not carried out on an arm's length basis as set out in Notes (2) and (3) to paragraph (v) and Note (2) to paragraph (vi) above have ceased as at the LPD. In addition, all such payments on behalf and advances have been fully settled by the related parties as at the LPD and moving forward, we will no longer pay on behalf for and provide advances to our related parties.

After our Listing and in accordance with the Listing Requirements, our Company will be required to seek our shareholders' approval each time our Company enters into material related party transactions. However, if the related party transactions can be deemed as recurrent related party transactions, our Company may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such recurrent related party transactions during the validity period of the mandate. Related party transactions can be deemed as recurrent, if they are entered into at least once every three years, in the ordinary course of business and are of a revenue or trading nature necessary for the day-to-day operations of our Group.

10.2 OUR GROUP'S POLICY ON RELATED PARTY TRANSACTIONS

In addition, to safeguard our interest and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, among others, review the terms of all related party transactions (if any), and to report to our Board for further action. When necessary, our Board will make appropriate disclosures in our annual report with regard to any related party transaction entered into by us. In the event that there are any proposed related party transactions that involve the interest, whether direct or indirect, of our Directors, the interested Director(s) shall disclose his interest to our Board, of the nature and extent of his interest including all matters in relation to the proposed related party transaction that he is aware and should also abstain from any Board deliberation and voting on the relevant resolution(s) in respect of such proposed related party transaction.

In the event there are any proposed related party transactions that require prior approval of our shareholders, our Directors, major shareholders and/or persons connected with them who have any interest, whether direct or indirect in the proposed related party transactions will abstain from deliberation and voting on resolution(s) pertaining to the respective transactions. Such interested Director and/or major shareholder will also undertake to ensure that persons connected with him, if any, will abstain from voting on the resolution approving the proposed related party transaction at the general meeting.

Under the Listing Requirements, related party transactions may be aggregated to determine the materiality of these transactions if they occur within a 12-month period, are entered with the same party or with parties connected with one another or if the transactions involve the acquisition or disposal of securities or interests in one particular corporation/asset or of various parcels of land contiguous to each other.

10.3 TRANSACTIONS ENTERED INTO THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

There are no transactions entered into that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Company or any of our subsidiaries was a party to for FYE 2019, FYE 2020, FYE 2021, FPE 2022 and up to the LPD.

10.4 LOANS AND/OR ADVANCES MADE TO OR FOR THE BENEFIT OF RELATED PARTIES

As at the LPD, there are no outstanding loans and/or advances made by our Group to or for the benefit of our related parties.

10.5 FINANCIAL ASSISTANCE PROVIDED (INCLUDING GUARANTEES OF ANY KIND) FOR THE BENEFIT OF RELATED PARTIES

Save as disclosed in Section 10.1 above and the following, there is no other financial assistance (including guarantees of any kind) made by our Group to or for the benefit of related parties for FYE 2019, FYE 2020, FYE 2021, FPE 2022 and up to the LPD:-

(i) A corporate guarantee provided by Vestland Resources for the benefit of Skypark Machineries in respect of banking facilities amounting to RM550,000.00 granted by Small Medium Enterprise Development Bank Malaysia Berhad to Skypark Machineries. As at the LPD, the corporate guarantee has been fully discharged in view of the full settlement of the facilities by Skypark Machineries.

(ii) A corporate guarantee provided by Vestland Resources for the benefit of Skypark Machineries in respect of hire purchase facilities amounting to RM2,000,000.00 granted by AmBank (M) Berhad to Skypark Machineries. As at the LPD, the corporate guarantee has been fully discharged in view of the full settlement of the facilities by Skypark Machineries.

Moving forward, our Company has put in place strict internal control and compliance procedures in relation to loans and financial assistance to third parties, and no further loans or financial assistance will be given to any related parties by our Group unless such loans and financial assistance are permitted under law and the Listing Requirements and brought to the Audit and Risk Management Committee and our Board for deliberation and approval.

10.6 PROVISION OF GUARANTEES BY OUR SUBSTANTIAL SHAREHOLDERS FOR BANKING AND LEASING FACILITIES GRANTED TO OUR GROUP

Our Directors, namely, Datuk Liew and SK Wong have jointly and severally provided personal guarantees for certain outstanding banking and leasing facilities extended by Public Bank Berhad, Public Islamic Bank Berhad, Affin Bank Berhad, Pac Lease Berhad, AmBank (M) Berhad, Malayan Banking Berhad, Small Medium Enterprise Development Bank Malaysia Berhad, and Al Rajhi Banking & Investment Corporation (Malaysia) Bhd. ("**Financiers**") to Vestland Resources. The aggregate amount of facilities secured as at the LPD is approximately RM146.53 million.

We have applied to the Financiers to obtain a release and/or discharge of the guarantees by substituting the same with a corporate guarantee from our Group and/or other securities from our Group acceptable to the Financiers. Until such release and/or discharge are obtained from the respective Financiers, our Datuk Liew and SK Wong will continue to guarantee the banking facilities extended to our Group.

As at the LPD, we have received conditional approvals from all our Financiers to discharge the above guarantees upon our Listing by substituting the same with a corporate guarantee from our Group and/or other securities from our Group acceptable to the Financiers.

10.7 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

10.7.1 Audit and Risk Management Committee review

Our Audit and Risk Management Committee reviews related party transactions and conflicts of interest situations that may arise within our Company or Group. Our Audit and Risk Management Committee maintains and periodically reviews the adequacy of the procedures and processes set by our Company to ensure that these transactions are carried out in the best interest of our Company on normal commercial terms that are industry norms and not more favourable to the related party than those generally available to third parties dealing at arm's length, and are not to the detriment of the interest of our Company's minority shareholders.

The related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations on the transactions.

All reviews by the Audit and Risk Management Committee are reported to our Board for its further action.

10.7.2 Related party transactions and conflict of interest

Some of the Directors and/or Substantial Shareholders of our Company are also directors and/or shareholders as named in Section 11.1 of this Prospectus. It is the policy of our Company that all related party transactions shall be reviewed by the Audit and Risk Management Committee to ensure that:

(i) there is no conflict of interest;

(ii) the related party transactions are negotiated and agreed in the best interest of our Company at arm's length basis;

(iii) the related party transactions are based on normal commercial terms not more favourable to the related party than those generally available to third parties; and

(iv) the related party transactions are not to the detriment of the interest of our Company's minority shareholders.

In respect of our Directors' interests in companies carrying on similar business, our Directors will also be required to abstain from deliberations and voting on resolutions pertaining to matters and/or transactions where a conflict of interest may arise.

In addition, in line with the Malaysian Code on Corporate Governance and the Corporate Governance Guide, our Directors are required to make an annual disclosure of any related party transactions and conflict of interest with our Group and our Audit and Risk Management Committee must carry out an annual assessment of our Directors which include an assessment of such related party transactions and/or conflict of interest. Our Audit and Risk Management Committee will in turn report to our Board after their evaluation and assessment and make the appropriate recommendations to our Board.

11. CONFLICT OF INTEREST

11.1 CONFLICT OF INTEREST

As at the LPD, save as disclosed below, none of our Directors and Substantial Shareholder have any interest, whether direct or indirect, in any businesses or corporations which are (i) carrying on a similar trade as that of our Group; or (ii) customers or suppliers of our Group:

11.1.1 Interest in similar business of our Group

As highlighted in Section 5.2.3 of this Prospectus, the following Directors and/or Substantial Shareholder are involved in construction related businesses:

Company	Principal activities	Directors and/or Substantial Shareholder	Nature of interest
Cherane Lalie Sdn. Bhd. ("**Cherane Lalie**")	Housing developers, building contractors and transportation	• SK Wong	• SK Wong is our Executive Director and Substantial Shareholder. He is also a director of Cherane Lalie.
Civil Tech Resources Sdn. Bhd. ("**Civil Tech**")	Civil engineering and ground engineering	• Ong Wei Liam @ Jeremy Ong	• Ong Wei Liam @ Jeremy Ong is our Independent Non-Executive Director. He is also a shareholder of Civil Tech holding 8% equity interest in Civil Tech.
LBS Bina Group Berhad ("**LBS Bina**") (Listed on the Main Market of Bursa Securities)	Investment holding company engaged in property development, construction and trading, motor racing circuit and management, investment and others	• Dato' Yong Lei Choo	• Dato' Yong Lei Choo is our Independent Non-Executive Director. She is also an Independent Non-Executive Director of LBS Bina.
Fiamma Holdings Berhad ("**Fiamma**") (Listed on the Main Market of Bursa Securities)	Investment holding company engaged in distribution of consumer products such as electrical home applicances, medical devices, health care products and other household products as well as property development and property investment	• Dato' Yong Lei Choo	• Dato' Yong Lei Choo is our Independent Non-Executive Director. She is also an Independent Non-Executive Director of Fiamma.

11. CONFLICT OF INTEREST *(cont'd)*

Our Board is of the view that the interests of the aforesaid Directors and/or Substantial Shareholder involved in other entities which are carrying on a similar business as our Group do not give rise to a conflict of interest situation in view of the following:

(1) Cherane Lalie

(a) Pursuant to a letter of award dated 26 April 2019 (as supplemented by a letter dated 23 May 2019) ("**Letter of Award**"), Cherane Lalie had awarded a contract to Vestland Resources where Vestland Resources was appointed to carry out construction work in respect of the PPA1M Houses Project at an agreed contract sum of RM14,000,000.00 ("**Works**"), commencing from 1 May 2019 to 30 April 2020. The date of completion of the Works has been extended several times until 31 March 2022.

(b) Under the Letter of Award, the contract sum is payable by Cherane Lalie in the following manner:

(i) 10% of the award sum to be paid by Cherane Lalie within 30 days from the date of progressive invoices issued by Vestland Resources based on works performed; and

(ii) the remaining 90% of the award sum to be paid by Cherane Lalie within 45 days after the delivery of vacant possession and issuance of CCC for the said development.

(c) In view of the payment terms provided under the Letter of Award, Vestland Resources and Cherane Lalie had commercially negotiated and agreed that SK Wong was appointed as a director of Cherane Lalie on 13 May 2019 for the purposes of providing further assurance on the payment by Cherane Lalie of the contract sum due pursuant to the terms of the Letter of Award. SK Wong is not involved in the day-to-day management of the business of Cherane Lalie.

(d) The Works have been completed in March 2022 and upon full payment of the contract sum under the Letter of Award being made by Cherane Lalie, SK Wong will resign as a director of Cherane Lalie. As at the LPD, the CCC for the PPA1M Houses Project has yet to be issued and accordingly, full payment of the contract sum has yet to be made by Cherane Lalie to our Group. Barring any unforeseen circumstances, the CCC is expected to be issued by the end of 2022.

(e) As at the LPD, SK Wong does not have any shareholding interest in Cherane Lalie, whether direct or indirect, or any other interest in his personal capacity. His appointment as a director of Cherane Lalie is in the capacity of nominated director/representative of Vestland Resources.

For information purposes, save for the PPA1M Houses Project as disclosed above, it is not a practice of our Group to have our Group Managing Director and/or Executive Director to be appointed to the board of directors of our customers.

(2) Civil Tech

As at the LPD, Civil Tech is in the process of winding up.

11. CONFLICT OF INTEREST *(cont'd)*

(3) LBS Bina

LBS Bina is an investment holding company principally engaged in property development and construction and trading, motor racing circuit and management, investment and others. The construction arm of LBS Bina is helmed by its subsidiary, MGB Berhad (listed on the Main Market of Bursa Securities), where it is involved in the construction of residential, commercial, and industrial buildings as well as infrastructure works which are similar in nature to our Group's construction services.

Dato' Yong Lei Choo is appointed as the Independent Non-Executive Director of LBS Bina whereby she is not involved in the day-to-day operations of the business of the company as its daily operations are managed by the company's personnel. She only attends meetings of the board of directors on which she serves and accordingly discharges her principal areas of responsibilities as an independent director of the company.

(4) Fiamma

Fiamma is an investment holding company principally engaged in distribution of consumer products such as electrical home applicances, medical devices, health care products and other household products as well as property development and property investment.

Dato' Yong Lei Choo is appointed as the Independent Non-Executive Director of Fiamma whereby she is not involved in the day-to-day operations of the business of the company as its daily operations are managed by the company's personnel. She only attends meetings of the board of directors on which she serves and accordingly discharges her principal areas of responsibilities as an independent director of the company.

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11.1.2 Interest in customers of our Group

Company	Principal activities	Nature	Director and/or Substantial Shareholder	Nature of interest
Cherane Lalie	Housing developers, building contractors and transportations	Cherane Lalie is our customer as we provide construction works to them as subcontractor for the project known as PPA1M Houses Project at an agreed contract sum of RM14,000,000.00.	• SK Wong	• SK Wong is our Executive Director and Substantial Shareholder. He is also a director of Cherane Lalie.

Our Board is of the view that the interest of SK Wong in Cherane Lalie does not give rise to a conflict of interest situation on the basis that SK Wong was appointed to the board of directors of Cherane Lalie merely as a nominee/representative of Vestland Resources in relation to the PPA1M Houses Project. The said project has been completed in March 2022 and SK Wong will resign as a director of Cherane Lalie upon full payment of the contract sum. As at the LPD, SK Wong does not have any shareholding interest in Cherane Lalie, whether direct or indirect, or any other interest in his personal capacity.

11.1.3 Interest in suppliers of our Group

As at the LPD, none of our Directors and Substantial Shareholders have any interest, whether direct or indirect, in any businesses or corporations which are suppliers of our Group.

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11.2 DECLARATIONS BY ADVISERS ON CONFLICT OF INTEREST

11.2.1 AmInvestment Bank

AmInvestment Bank is a wholly-owned subsidiary of AMMB Holdings Berhad. AMMB Holdings Berhad and its group of companies (collectively, "**AmBank Group**") form a diversified financial group and are engaged in a wide range of transactions relating to amongst others, investment banking, commercial banking, private banking, brokerage, securities trading, asset and funds management and credit transaction services businesses. AmBank Group's securities business is primarily in the areas of securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trade.

In the ordinary course of their businesses, any member of AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of Vestland Group.

As at the LPD, AmBank Group has extended loan facilities with a combined limit of RM67.10 million to Vestland Group.

As set out in Section 4.5 of this Prospectus, it is our Group's intention to utilise up to RM7.50 million of the total proceeds raised from the Public Issue to repay credit facilities taken for the acquisition of the New Head Office, which was obtained from AmBank Group ("**AmBank Loan**").

It is the Group's objective to acquire the New Head Office, taking into consideration the rationale set out in Section 4.5.1 of this Prospectus and accordingly, the Group intends to repay the AmBank Loan as it was originally intended to temporarily bridge the purchase consideration of the New Head Office pending receipt of the proceeds to be raised from Public Issue. Further, the repayment of the AmBank Loan is in line with the Group's intention to minimise loan exposure to non-business related banking facilities and taking into consideration the higher overall interest savings to the Group arising from the repayment, which amounts to approximately RM0.06 million per annum (based on the proposed repayment sum of RM7.50 million from the proceeds raised via the Public Issue), as compared to other property-related banking facilities of the Group.

Notwithstanding the above, AmInvestment Bank is of the opinion that the abovementioned does not give rise to a conflict of interest situation in its capacity as the Principal Adviser, Sponsor, Placement Agent and Underwriter for our IPO due to the following reasons:

(i) the loan facilities were provided by AmBank Group in its ordinary course of business, and the said loan facilities are not material when compared to the audited NA of AmBank Group as at 31 March 2022 of approximately RM16.76 billion;

(ii) AmBank Group forms a diversified financial group and is engaged in a wide range of transactions as highlighted above. AmInvestment Bank is a licensed investment bank and its appointment as the Principal Adviser, Sponsor, Placement Agent and Underwriter for our IPO is in the ordinary course of business;

(iii) the loan facilities and repayment of the aforementioned credit facilities was not determined in contemplation of and not conditional upon AmInvestment Bank being appointed as the Principal Adviser, Sponsor, Placement Agent and Underwriter for our IPO; and

(iv) each of the entities and departments of the AmBank Group are also subject to internal control and checks, which regulate the sharing of information between entities and departments. Additionally, each department and entities within AmBank Group has separate and distinct operations and decisions are made independent of each other. In addition, the conduct of AmInvestment Bank is regulated by Bank Negara Malaysia.

AmInvestment Bank has confirmed that there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Placement Agent and Underwriter for our IPO.

11.2.2 Grant Thornton

Grant Thornton has confirmed that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants for our IPO.

11.2.3 Mah-Kamariyah & Philip Koh

Mah-Kamariyah & Philip Koh has confirmed that there is no existing or potential conflict of interest in its capacity as the Solicitors for our IPO.

11.2.4 Vital Factor

Vital Factor has confirmed that there is no existing or potential conflict of interest in its capacity as the Independent Business and Market Research Consultant for our IPO.

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12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

Our historical financial information throughout FYE 2019 to FYE 2021 as well as FPE 2022 has been extracted from the Accountants' Report set out in Section 14 of this Prospectus. The selected financial information included in this Prospectus do not purport to predict our Group's financial position, results of operations and cash flows.

Our Company was incorporated on 10 November 2021 to facilitate our Listing, and we completed the Acquisition on 20 April 2022. Vestland has been under the common control of our Promoters throughout FYE 2019 to FYE 2021 and is regarded as a combined entity. The historical financial information of our Group for FYE 2019 to FYE 2021 and FPE 2022, is presented based on the audited financial statements of our Group.

The following selected historical financial information should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" as set out in Section 12.2 of this Prospectus and the Accountants' Report as set out in Section 14 of this Prospectus.

Historical Statements of Profit or Loss and Other Comprehensive Income

	Audited			Unaudited	Audited
	FYE 2019 (RM'000)	**FYE 2020 (RM'000)**	**FYE 2021 (RM'000)**	**FPE 2021 (RM'000)**	**FPE 2022 (RM'000)**
Revenue	98,707	97,124	171,081	66,525	139,914
Cost of sales	(86,198)	(82,795)	(147,556)	(56,393)	(119,878)
GP	**12,509**	**14,329**	**23,525**	**10,132**	**20,036**
Other income	1,057	867	370	112	856
Finance income	102	178	154	30	143
Administrative and operating expenses	(3,645)	(4,534)	(7,723)	(3,753)	(5,193)
Finance cost	(653)	(1,221)	(1,733)	(722)	(771)
PBT	**9,370**	**9,619**	**14,593**	**5,799**	**15,071**
Tax expense	(2,205)	(2,610)	(3,958)	(1,597)	(4,405)
PAT / Total comprehensive income for the financial year	**7,165**	**7,009**	**10,635**	**4,202**	**10,666**
Earnings before interest, tax, depreciation and amortisation ("**EBITDA**")[1]	11,432	12,308	17,894	7,324	16,426
Basic EPS / Diluted EPS (sen)[2]	0.76	0.74	1.13	0.45	1.13
GP margin[3] (%)	12.67	14.75	13.76	15.23	14.32
EBITDA margin[4] (%)	11.58	12.67	10.46	11.01	11.74
PBT margin[5] (%)	9.49	9.90	8.53	8.72	10.77
PAT margin[6] (%)	7.26	7.22	6.22	6.32	7.62

12. FINANCIAL INFORMATION *(cont'd)*

Notes:

(1) EBITDA is calculated as follows:

	Audited			Unaudited	Audited
	FYE 2019 (RM'000)	**FYE 2020 (RM'000)**	**FYE 2021 (RM'000)**	**FPE 2021 (RM'000)**	**FPE 2022 (RM'000)**
PBT	9,370	9,619	14,593	5,799	15,071
Adjusted for :					
Finance income	(102)	(178)	(154)	(30)	(143)
Finance cost	653	1,221	1,733	722	771
Depreciation	1,415	1,529	1,638	791	720
Amortisation	96	117	84	42	7
EBITDA	**11,432**	**12,308**	**17,894**	**7,324**	**16,426**

(2) Basic and diluted EPS are computed based on the PAT divided by the expected number of shares after taking into account the public issue of Shares pursuant to our IPO.

(3) GP margin is computed based on GP divided by the revenue of our Group.

(4) EBITDA margin is computed based on EBITDA divided by the revenue of our Group.

(5) PBT margin is computed based on PBT divided by the revenue of our Group.

(6) PAT margin is computed based on PAT divided by the revenue of our Group.

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Historical Statements of Financial Position

	Audited			
	FYE 2019 (RM'000)	**FYE 2020 (RM'000)**	**FYE 2021 (RM'000)**	**FPE 2022 (RM'000)**
Non-current assets				
Property, plant and equipment[1]	16,351	13,363	8,995	11,218
Right-of-use assets[1]	1,868	1,667	2,080	1,170
Investment properties[1]	5,352	3,934	15,950	12,100
Investment in associates	1,140	-	-	-
Cash and cash equivalents[2]	3,450	-	10,846	13,646
Deferred tax assets	101	151	97	11
Total non-current assets	**28,262**	**19,115**	**37,968**	**38,145**
Current assets				
Trade receivables	40,357	57,590	79,252	102,169
Other receivables	17,461	20,659	28,732	22,255
Contract assets	12,604	6,007	17,083	18,767
Cash and cash equivalents[3]	12,489	14,047	3,889	24,670
Total current assets	**82,911**	**98,303**	**128,956**	**167,861**
Assets classified as held-for-sale[1]	-	3,703	1,828	3,262
Total assets	**111,173**	**121,121**	**168,752**	**209,268**
Equity attributable to the owners of the Company				
Share capital	1,750	1,750	1,750	46,459
Merger deficit	-	-	-	(44,709)
Retained earnings	27,055	34,064	44,700	55,365
Total equity	**28,805**	**35,814**	**46,450**	**57,115**
Non-current liabilities				
Borrowings	4,509	17,281	19,192	20,970
Lease liabilities	1,301	924	1,109	488
Total non-current liabilities	**5,810**	**18,205**	**20,301**	**21,458**
Current liabilities				
Trade payables	36,593	37,521	68,272	77,715
Other payables	20,632	7,565	20,685	12,697
Contract liabilities	9,311	3,479	2,824	13,063
Amount due to Directors[4]	15	52	-	-
Borrowings[5]	8,741	14,908	6,914	22,205
Lease liabilities	875	1,109	1,032	435
Tax payable	391	2,468	2,274	4,580
Total current liabilities	**76,558**	**67,102**	**102,001**	**130,695**
Total liabilities	**82,368**	**85,307**	**122,302**	**152,153**
Total equity and liabilities	**111,173**	**121,121**	**168,752**	**209,268**

12. FINANCIAL INFORMATION *(cont'd)*

Notes:

(1) The decrease in property, plant and equipment from FYE 2019 to FYE 2021 was mainly attributed to the reclassification of land/building/properties under construction/motor vehicles to right-of-use assets, assets held-for-sale and investment properties. The increase in property, plant and equipment for FPE 2022 was mainly attributable to the reclassification of motor vehicles from right-of use assets and the acquisition of properties.

(2) For FYE 2021 and FPE 2022, the increase in cash and cash equivalents under non-current assets to RM10.85 million and RM13.65 million respectively was mainly attributed to the increase in bank balance and fixed deposits pledged with licensed banks as securities for banking facilities granted.

(3) For FPE 2022, the increase in cash and cash equivalents under current assets to RM24.67 million was mainly due to the net cash inflow from financing activities attributed to the drawdown of revolving credit of RM15.20 million for working capital purposes.

(4) The amount due to Directors has been fully repaid as at the LPD.

(5) For FPE 2022, the increase in borrowings under current liabilities to RM22.21 million was mainly due to the drawdown of revolving credit of RM15.20 million for working capital purposes.

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Historical Statements of Cash Flows

	Audited			
	FYE 2019 (RM'000)	**FYE 2020 (RM'000)**	**FYE 2021 (RM'000)**	**FPE 2022 (RM'000)**
Operating activities				
PBT	9,370	9,619	14,593	15,071
Adjustments for:				
Amortisation of investment properties	96	117	84	7
Depreciation of property, plant and equipment	953	794	731	382
Depreciation of right-of-use assets	462	735	907	338
Interest expenses	717	1,380	1,817	790
Interest income	(102)	(178)	(154)	(143)
Impairment loss on assets held-for-sale	-	332	-	-
Loss on disposal of investment in an associate	-	640	-	-
Loss on disposal of investment property	-	-	-	31
Gain on disposal of assets held-for-sale, net of Real Property Gain Tax	(629)	-	(30)	(92)
(Gain)/Loss on disposal of property, plant and equipment	(36)	(1)	-	32
Property, plant and equipment written off	-	-	20	-
Gain on early termination of right-of-use assets	-	-	(4)	-
Operating profit before working capital changes	**10,831**	**13,438**	**17,964**	**16,416**
Changes in working capital:				
Receivables	7,619	(19,774)	(34,837)	(21,928)
Payables	(4,181)	(247)	38,882	5,467
Contract assets	(1,468)	6,439	(11,161)	(1,704)
Contract liabilities	(6,552)	(5,832)	(655)	10,239
Domestic recourse factoring	(1,437)	-	-	-
Cash generated from/(used in) operations	**4,812**	**(5,976)**	**10,193**	**8,490**
Tax paid	(1,506)	(582)	(4,098)	(2,013)
Net cash from/(used in) operating activities	**3,306**	**(6,558)**	**6,095**	**6,477**

12. FINANCIAL INFORMATION *(cont'd)*

	Audited			
	FYE 2019 (RM'000)	**FYE 2020 (RM'000)**	**FYE 2021 (RM'000)**	**FPE 2022 (RM'000)**
Investing activities				
Subscription of shares in associates	(440)	-	-	-
Interest received	102	177	154	143
Purchase of property, plant and equipment	(119)	(45)	(1,048)	(344)
Proceeds from disposal of assets held-for-sale	2,962	-	2,233	1,920
Proceeds from disposal of investment property	-	-	-	550
Proceeds from disposal of property, plant and equipment	36	5	-	5
Proceeds from disposal of investment in an associate	-	1	-	-
Purchase of investment properties	(1,214)	-	-	-
Purchase of right-of-use assets	-	-	(105)	-
(Advances to)/Repayment from companies in which certain Directors have interest	(1,499)	(3,632)	80	4,188
(Advances to)/Repayment from associates	(579)	2,300	-	-
(Advances to)/Repayment from third parties	(2,634)	674	5,023	1,300
Net cash (used in)/from investing activities	**(3,385)**	**(520)**	**6,337**	**7,762**
Financing activities				
Advances from/(Repayment to) Directors	15	37	(52)	-
(Placement)/Withdrawal of fixed deposits	(955)	3,450	(3,029)	(1,932)
Placement of bank balance pledged	-	-	(7,818)	(867)
Drawdown of term loans	2,584	13,055	4,780	-
Interest paid	(653)	(993)	(1,701)	(771)
Repayment of term loans	(90)	(10,672)	(2,883)	(3,870)
Drawdown of revolving credit	-	-	5,543	15,200
Repayment of lease liabilities	(440)	(676)	(1,216)	(1,218)
Advances from/(Repayment to) third parties	3,210	(1,305)	(1,905)	-
Proceeds from issuance of shares	-	-	Negligible	-
Dividends paid	(2,250)	-	-	-
Net cash from/(used in) financing activities	**1,421**	**2,896**	**(8,281)**	**6,542**
Net increase/(decrease) in cash and cash equivalents	**1,342**	**(4,182)**	**4,151**	**20,781**
Cash and cash equivalents at the beginning of the financial year/period	2,578	3,920	(262)	3,889
Cash and cash equivalents at the end of the financial year/period	**3,920**	**(262)**	**3,889**	**24,670**

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with the Accountants' Report and related notes as set out in Section 14 of this Prospectus.

12.2.1 Overview of Our Business Operations

We are primarily involved in the construction of residential and non-residential buildings. Residential buildings include apartments and landed residential buildings, while non-residential buildings include mixed-use commercial buildings and offices, industrial buildings, service apartments, hostel and hotels. A small proportion of our business is in civil engineering works segment.

Please refer to Section 7.1 of this Prospectus for further information on our business operations.

12.2.2 Overview of Our Financial Results

Our main revenue stream is derived from building construction activities. Our Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to be recognised in a period of the contract by reference to the proportion that contract costs incurred for work performed to date as compared to the estimated total contract cost.

For the FYE 2019, FYE 2020, FYE 2021 and FPE 2022, all our revenue was derived from Malaysia.

Please refer to the following sections of this Prospectus for further analysis on the performance of our business activities during the Financial Years and Period Under Review.

12.2.3 Segmental Analysis by Revenue

(a) Revenue by business activities and by type of building

	Audited					
	FYE 2019		FYE 2020		FYE 2021	
Revenue	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Building construction	**98,707**	**100.00**	**97,124**	**100.00**	**168,746**	**98.64**
Build segment[1]	98,707	100.00	91,224	93.93	103,081	60.26
- *Residential*	*6,715*	*6.80*	*10,483*	*10.80*	*10,317*	*6.03*
- *Non-residential*	*91,992*	*93.20*	*80,741*	*83.13*	*92,764*	*54.23*
Design and build segment	-	-	5,900	6.07	65,665	38.38
- *Residential*	-	-	*5,540*	*5.70*	*32,592*	*19.05*
- *Non-residential*	-	-	*360*	*0.37*	*33,073*	*19.33*
Civil engineering works segment	**-**	**-**	**-**	**-**	**2,335**	**1.36**
Total	**98,707**	**100.00**	**97,124**	**100.00**	**171,081**	**100.00**

12. FINANCIAL INFORMATION *(cont'd)*

Revenue	Unaudited FPE 2021 RM'000	%	Audited FPE 2022 RM'000	%
Building construction	**66,525**	**100.00**	**137,529**	**98.30**
Build segment[1]	44,957	67.58	45,477	32.51
- *Residential*	*4,906*	*7.37*	*1,589*	*1.14*
- *Non-residential*	*40,051*	*60.21*	*43,888*	*31.37*
Design and build segment	21,568	32.42	92,052	65.79
- *Residential*	*11,566*	*17.39*	*35,610*	*25.45*
- *Non-residential*	*10,002*	*15.03*	*56,442*	*40.34*
Civil engineering works segment	**-**	**-**	**2,385**	**1.70**
Total	**66,525**	**100.00**	**139,914**	**100.00**

Note:

(1) Includes renovation works and interior fit-out works.

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(b) Revenue by business activities and projects

Revenue by business activities and projects	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Building construction	**98,707**	**100.00**	**97,124**	**100.00**	**168,746**	**98.64**
Build segment[1]	**98,707**	**100.00**	**91,224**	**93.93**	**103,081**	**60.26**
Residential	6,715	6.80	10,483	10.80	10,317	6.03
N53 Super Link House Project	*2,208*	*2.24*	*62*	*0.06*	-	-
Kalista Park Homes Project	*1,569*	*1.59*	*(65)[2]*	*(0.07)*	-	-
Semi-D and Bungalow Houses (Pujaan) Project	*1,446*	*1.46*	*5,537*	*5.70*	*2,071*	*1.21*
PPA1M Houses Project	*1,443*	*1.46*	*4,922*	*5.07*	*8,246*	*4.82*
Sg. Long Show Unit Project	*49*	*0.05*	*27*	*0.04*	-	-
Non-residential	91,992	93.20	80,741	83.13	92,764	54.23
Pearl Suria Residence Project	*4,289*	*4.35*	*13*	*0.01*	-	-
Genting Midhill Project	*1,020*	*1.03*	-	-	-	-
BSP21 Condominium Project	*(1,116)[2]*	*(1.13)*	*764*	*0.79*	-	-
Three33 Residence Project	*44,453*	*45.04*	*9,878*	*10.17*	*1,232*	*0.72*
D'vine Residences Project	-	-	-	-	*2,065*	*1.21*
Cameron Fair Project	*6,555*	*6.64*	*22*	*0.02*	*1*	*
Zenopy Residences Project	*660*	*0.67*	*170*	*0.18*	-	-
Glenz Mixed Commercial Development Project	*22,603*	*22.90*	*57,253*	*58.95*	*57,382*	*33.54*
CPL Aromas Pulau Indah Project	-	-	-	-	*15,250*	*8.91*
Pengerang Project	*64*	*0.06*	-	-	-	-
Habu Project	*54*	*0.05*	-	-	-	-
Disable Home Project	*1*	*	*17*	*0.02*	-	-
KKB Academic Building and Student Accommodation Project	-	-	-	-	*2,780*	*1.62*
ACCH Project	*1,519*	*1.54*	*1*	*	-	-
TUDM Army Camp Package 2 Project	*2,177*	*2.21*	*2,443*	*2.52*	*1,406*	*0.82*
TUDM Army Camp Package 3 Project	*6,399*	*6.48*	*8,968*	*9.23*	*3,798*	*2.22*
Putrajaya Hotel Project	*1,215*	*1.23*	*676*	*0.69*	-	-
Malaysian Armed Forces (Package 3) Project	-	-	-	-	*7,892*	*4.61*
Entertainment Studio Project	*2,099*	*2.13*	*40*	*0.04*	*(46)[2]*	*(0.02)*
Themepark Project	-	-	*496*	*0.51*	*1,004*	*0.60*
Design and build segment	**-**	**-**	**5,900**	**6.07**	**65,665**	**38.38**
Residential	-	-	5,540	5.70	32,592	19.05
Residensi Armani Petaling (Cheras) Project	-	-	*5,540*	*5.70*	*22,423*	*13.11*
Residensi Armani Bukit Lanjan Project	-	-	-	-	*10,169*	*5.94*
Non-residential	-	-	360	0.37	33,073	19.33
Armani Subang SOHO Project	-	-	*208*	*0.21*	*19,826*	*11.59*
Beluran Police Camp Project	-	-	-	-	*13,247*	*7.74*
MyEG Project	-	-	*152*	*0.16*	-	-
Civil engineering works segment	**-**	**-**	**-**	**-**	**2,335**	**1.36**
Plot 3	-	-	-	-	*2,335*	*1.36*
Total	**98,707**	**100.00**	**97,124**	**100.00**	**171,081**	**100.00**

12. FINANCIAL INFORMATION *(cont'd)*

Revenue by business activities and projects	Unaudited FPE 2021 RM'000	%	Audited FPE 2022 RM'000	%
Building construction	**66,525**	**100.00**	**137,529**	**98.30**
Build segment[1]	**44,957**	**67.58**	**45,477**	**32.51**
Residential	4,906	7.38	1,589	1.14
Semi-D and Bungalow Houses (Pujaan) Project	*992*	*1.49*	*-*	*-*
PPA1M Houses Project	*3,914*	*5.89*	*1,589*	*1.14*
Non-residential	40,051	60.20	43,888	31.37
Three33 Residence Project	*1,012*	*1.52*	*24*	*0.02*
D'vine Residences Project	*-*	*-*	*5,807*	*4.15*
Glenz Mixed Commercial Development Project	*31,236*	*46.95*	*7,345*	*5.25*
CPL Aromas Pulau Indah Project	*3,249*	*4.88*	*18,784*	*13.43*
KKB Academic Building and Student Accommodation Project	*251*	*0.38*	*4,270*	*3.05*
TUDM Army Camp Package 2 Project	*6*	*0.01*	*291*	*0.21*
TUDM Army Camp Package 3 Project	*3,584*	*5.39*	*255*	*0.18*
Entertainment Studio Project	*(46)[2]*	*(0.07)*	*-*	*-*
Themepark Project	*759*	*1.14*	*411*	*0.29*
Permas City Project	*-*	*-*	*6,701*	*4.79*
Design and build segment	**21,568**	**32.42**	**92,052**	**65.79**
Residential	11,566	17.39	35,610	25.45
Residensi Armani Petaling (Cheras) Project	*8,829*	*13.27*	*20,928*	*14.96*
Residensi Armani Bukit Lanjan Project	*2,737*	*4.12*	*14,682*	*10.49*
Non-residential	10,002	15.03	56,442	40.34
Armani Subang SOHO Project	*6,459*	*9.71*	*15,555*	*11.12*
Beluran Police Camp Project	*3,543*	*5.32*	*40,887*	*29.22*
Civil engineering works segment	**-**	**-**	**2,385**	**1.70**
Plot 9C	*-*	*-*	*1,049*	*0.75*
Plot 3	*-*	*-*	*468*	*0.33*
Plot 10	*-*	*-*	*454*	*0.32*
Plot 9B	*-*	*-*	*383*	*0.27*
Habu Cameron Infrastructure Project	*-*	*-*	*23*	*0.02*
Plot 9D	*-*	*-*	*8*	*0.01*
Total	**66,525**	**100.00**	**139,914**	**100.00**

Notes:

* *Negligible.*

(1) Includes renovation works and interior fit-out works.

(2) The negative revenue recorded for these projects was attributed to the revision of the project accounts arising from finalisation of accounts of the projects upon completion and/or adjustments arising from variation orders.

FYE 2020 compared to FYE 2019

Our total revenue decreased by RM1.58 million or 1.60% from RM98.71 million in FYE 2019 to RM97.12 million in FYE 2020. This was mainly due to the decrease in revenue from the build segment.

Build segment

Our revenue from the build segment decreased by RM7.48 million or 7.58% from RM98.71 million in FYE 2019 to RM91.22 million in FYE 2020. The decrease in revenue was mainly attributed to the completion of the projects as set out below:

- Revenue from the Three33 Residence Project decreased by RM34.58 million or 77.78% due to the lower percentage of work done at 25.98% in FYE 2020 (FYE 2019: 53.20%). As the project was near completion, we mainly carried out architectural finishing works compared to the previous year which included structural works and architectural works such as bricklaying and tiling works. The project was completed in FYE 2020.

- Revenue decreased by RM12.96 million or 99.26% collectively from three projects which had been completed in prior years including the Cameron Fair Project, Pearl Suria Residence Project and N53 Super Link House Project, as the project accounts were finalised in FYE 2019 wherein we only recorded a collective revenue of RM0.10 million in FYE 2020 mainly from minor rectification works.

- Revenue decreased by RM2.06 million or 98.09% from the completion of the interior fit-out works for Entertainment Studio Project in FYE 2019.

The decrease in revenue was partially offset by the increase in revenue from the following on-going projects which commenced construction in FYE 2019 and in which we had undertaken higher level of construction activities in FYE 2020, including among others, structural works, M&E works and architectural works:

- Revenue from the Glenz Mixed Commercial Development Project increased by RM34.65 million or 153.30% in FYE 2020 and this was mainly due to the higher percentage of work done at 42.68% (FYE 2019: 16.85%).

- Revenue from the Semi-D and Bungalow Houses (Pujaan) Project increased by RM4.09 million or 282.92% in FYE 2020 and this was mainly due to the higher percentage of work done at 60.95% (FYE 2019: 15.45%).

- Revenue from the PPA1M Houses Project increased by RM3.48 million or 241.09% in FYE 2020 and this was mainly due to the higher percentage of work done at 30.62% (FYE 2019: 9.12%).

Design and build segment

We expanded our capabilities to "design and build" construction projects in 2020 where we secured the Residensi Armani Petaling (Cheras) Project and the Armani Subang SOHO Project. For design and build construction projects, we are responsible for the overall project management including the design aspects of the project which covers technical specifications. In this respect, our revenue derived from the design and build segment was RM5.90 million for the FYE 2020 which was mainly attributed to the commencement of the Residensi Armani Petaling (Cheras) Project and Armani Subang SOHO Project where the said projects recorded a revenue of RM5.54 million and RM0.21 million respectively.

We also recognised a revenue of RM0.15 million for the MyEG Project arising from the finalisation of progress claims due to the termination of the contract in FYE 2019 based on mutual agreement.

FYE 2021 compared to FYE 2020

Our total revenue increased by RM73.96 million or 76.15% from RM97.12 million in FYE 2020 to RM171.08 million in FYE 2021. This was mainly due to the increase in revenue from the design and build segment which increased by RM59.77 million or 1,012.97% in FYE 2021.

Build segment

Our revenue from the build segment increased by RM11.86 million or 13.00% from RM91.22 million in FYE 2020 to RM103.08 million in FYE 2021. The increase was mainly contributed by the following:

- The commencement of 3 building construction projects, namely the CPL Aromas Pulau Indah Project, D'vine Residences Project and KKB Academic Building and Student Accommodation Project, which collectively contributed a revenue of RM20.10 million in FYE 2021.

- The increase in revenue from the build segment was also partly attributed by the commencement of the renovation works for the Malaysian Armed Forces (Package 3) Project which contributed RM7.89 million to our revenue in FYE 2021. The project was completed in the same year.

- The increase in revenue of RM3.32 million or 67.53% in FYE 2021 from the PPA1M Houses Project which was mainly due to the higher percentage of work done at 51.54% (FYE 2020: 30.62%) from architectural works.

The increase in revenue was moderated by the decrease in revenue from the following completed projects:

- Decrease in revenue of RM13.82 million or 69.77% in FYE 2021 from two projects namely the Three33 Residence Project due to lower revenue recognition as the project was completed in FYE 2020 and the TUDM Army Camp Package 3 Project which recorded a relatively lower revenue in FYE 2021 arising from rectification works performed as compared to the higher revenue recognised in FYE 2020 arising from adjustments to contract value following the completion of said project.

- Decrease in revenue of RM3.47 million or 62.60% in FYE 2021 from the Semi-D and Bungalow Houses (Pujaan) Project due to the lower percentage of work done of 23.60% (FYE 2020: 60.95%) as the project was near completion where we mainly carried out finishing works. The project was completed in FYE 2021.

Design and build segment

Our revenue from the design and build segment increased by RM59.77 million or 1,012.97% from RM5.90 million in FYE 2020 to RM65.67 million in FYE 2021. The increase was mainly contributed by the increase in revenue from the following on-going projects which commenced construction in FYE 2020:

- Increase in revenue of RM19.62 million or 9,431.73% in FYE 2021 from the Armani Subang SOHO Project and this was mainly due to a higher percentage of work done at 46.04% (FYE 2020: 0.48%) including structural works, M&E works and architectural works.

- Increase in revenue of RM16.88 million or 304.75% in FYE 2021 from the Residensi Armani Petaling (Cheras) Project and this was mainly due to a higher percentage of work done of 38.63% (FYE 2020: 9.54%) including architectural works.

In addition, the increase in revenue was partly contributed by the commencement of the Residensi Armani Bukit Lanjan Project and Beluran Police Camp Project which collectively contributed a revenue of RM23.42 million in FYE 2021.

Civil engineering works segment

In FYE 2021, we secured the Plot 3 project where the scope was for earthworks and rock hacking works for 2 blocks of serviced apartments. Our revenue derived from the civil engineering works segment was RM2.33 million for the FYE 2021 and this was attributed to the commencement of this project. This project was completed in January 2022.

FPE 2022 compared to FPE 2021

Our total revenue increased by RM73.39 million or 110.32% from RM66.53 million in FPE 2021 to RM139.91 million in FPE 2022. This was mainly contributed by the increase in revenue from the design and build segment which increased by RM70.48 million or 326.79% in FPE 2022.

Build segment

Our revenue from the build segment increased by RM0.52 million or 1.16% from RM44.96 million in FPE 2021 to RM45.48 million in FPE 2022. The increase was mainly contributed by the following on-going projects:

- The increase in revenue of RM15.53 million or 478.15% in FPE 2022 from the CPL Aromas Pulau Indah Project and this was mainly due to higher percentage of work done at 50.99% (FPE 2021: 8.82%) including architectural works, structural works and M&E works.

- The increase in revenue from the build segment was partly attributed to the commencement of the D'vine Residences Project in July 2021 as well as Permas City Project in January 2022 which collectively contributed RM12.51 million to our revenue in FPE 2022.

- The increase in revenue of RM4.02 million or 1,601.20% in FPE 2022 from the KKB Academic Building and Student Accommodation Project and this was mainly due to higher percentage of work done at 14.91% (FPE 2021: 0.88%) including structural works.

The increase in revenue from the build segment was moderated by the decrease in revenue from the following completed projects:

- Decrease in revenue of RM26.22 million or 74.59% collectively from two projects, namely Glenz Mixed Commercial Development Project and PPA1M Houses Project due to lower percentage of work done as these projects were near completion involving mainly finishing works. These two projects were completed in FPE 2022.

- Decrease in revenue of RM5.31 million or 95.01% collectively from three projects which had been completed in prior years including the TUDM Army Camp Package 3 Project, Semi-D and Bungalow Houses (Pujaan) Project and Three33 Residence Project.

Design and build segment

Our revenue from the design and build segment increased by RM70.48 million or 326.79% from RM21.57 million in FPE 2021 to RM92.05 million in FPE 2022. The increase in revenue was mainly contributed by the following on-going projects:

- Increase in revenue of RM37.34 million or 1,054.02% in FPE 2022 from the Beluran Police Camp Project and this was mainly due to a higher percentage of work done at 12.29% (FPE 2021: 1.06%) including earthworks, structural works, M&E works and architectural works.

- Increase in revenue of RM12.10 million or 137.03% in FPE 2022 from the Residensi Armani Petaling (Cheras) Project and this was mainly due to a higher percentage of work done at 35.98% (FPE 2021: 15.20%) including M&E works, architectural works and structural works.

- Increase in revenue of RM11.94 million or 436.42% in FPE 2022 from the Residensi Armani Bukit Lanjan Project and this was mainly due to a higher percentage of work done at 41.30% (FPE 2021: 7.69%) including structural works and M&E works.

- Increase in revenue of RM9.10 million or 140.82% in FPE 2022 from the Armani Subang SOHO Project and this was mainly due to a higher percentage of work done at 36.09% (FPE 2021: 15.01%) including M&E works and architectural works.

Civil engineering works segment

Revenue from the civil engineering works segment which accounted for RM2.39 million 1.70% of the total revenue for the FPE 2022 was contributed by 6 civil engineering works projects which had commenced in the second-half of FYE 2021 and in January 2022.

(c) Revenue by Geographical Markets

For the Financial Years and Period Under Review, all our revenue was derived from Malaysia.

12.2.4 Cost of Sales

	Audited					
	FYE 2019		FYE 2020		FYE 2021	
Cost of sales	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Subcontractor Services	**49,217**	**57.10**	**48,706**	**58.83**	**85,884**	**58.20**
- *Architectural works*	*21,164*	*24.56*	*17,954*	*21.69*	*29,983*	*20.31*
- *M&E works*	*17,024*	*19.75*	*14,607*	*17.64*	*27,029*	*18.32*
- *Structural works*	*6,502*	*7.54*	*12,086*	*14.60*	*17,438*	*11.82*
- *Other subcontracted services*[1]	*4,527*	*5.25*	*4,059*	*4.90*	*11,434*	*7.75*
Construction materials	**21,879**	**25.39**	**21,955**	**26.52**	**43,118**	**29.22**
- *Steel materials*	*7,671*	*8.90*	*8,178*	*9.88*	*17,985*	*12.19*
- *Concrete and cement materials*	*6,850*	*7.95*	*7,300*	*8.82*	*13,952*	*9.46*
- *Other materials*[2]	*7,358*	*8.54*	*6,477*	*7.82*	*11,181*	*7.58*
Labour costs	**4,538**	**5.26**	**3,454**	**4.17**	**3,874**	**2.63**
Rental charges[3]	**4,794**	**5.56**	**2,873**	**3.47**	**6,422**	**4.35**
Project overhead and other related costs[4]	**5,770**	**6.69**	**5,807**	**7.01**	**8,258**	**5.60**
Total	**86,198**	**100.00**	**82,795**	**100.00**	**147,556**	**100.00**

	Unaudited		Audited	
	FPE 2021		FPE 2022	
Cost of sales	**RM'000**	**%**	**RM'000**	**%**
Subcontractor Services	**32,411**	**57.47**	**65,823**	**54.91**
- *Architectural works*	*10,214*	*18.11*	*16,062*	*13.40*
- *M&E works*	*13,537*	*24.00*	*22,932*	*19.13*
- *Structural works*	*5,509*	*9.77*	*16,966*	*14.15*
- *Other subcontracted services*[1]	*3,151*	*5.59*	*9,863*	*8.23*
Construction materials	**17,114**	**30.35**	**35,393**	**29.52**
- *Steel materials*	*6,340*	*11.24*	*15,329*	*12.79*
- *Concrete and cement materials*	*5,739*	*10.18*	*9,934*	*8.28*
- *Other materials*[2]	*5,035*	*8.93*	*10,130*	*8.45*
Labour costs	**1,716**	**3.04**	**3,546**	**2.96**
Rental charges[3]	**2,203**	**3.91**	**7,855**	**6.55**
Project overhead and other related costs[4]	**2,949**	**5.23**	**7,261**	**6.06**
Total	**56,393**	**100.00**	**119,878**	**100.00**

Notes:

(1) Other subcontracted services include landscaping works, infrastructure works, foundation works, piling works and earthworks.

(2) Other materials include tiles, sanitary wares, brickwork materials, doors and windows, hardware and consumables, aggregates, plywood and timber, and scaffoldings.

(3) Rental charges include mainly rental of machines and equipments such as excavators, backhoe and cranes for our construction projects.

(4) Project overhead and other related costs include application fees for authority submission, administrative expenses, site workers expenses, site utility expenses, finance costs and depreciation.

	Audited					
	FYE 2019		FYE 2020		FYE 2021	
Cost of sales	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Building construction	**86,198**	**100.00**	**82,795**	**100.00**	**145,524**	**98.62**
Build segment[1]	86,198	100.00	77,886	94.07	89,995	60.99
- *Residential*	*3,994*	*4.63*	*9,787*	*11.82*	*9,648*	*6.54*
- *Non-residential*	*82,204*	*95.37*	*68,099*	*82.25*	*80,347*	*54.45*
Design and build segment	-	-	4,909	5.93	55,530	37.63
- *Residential*	-	-	*4,728*	*5.71*	*27,672*	*18.75*
- *Non-residential*	-	-	*181*	*0.22*	*27,858*	*18.88*
Civil engineering works segment	**-**	**-**	**-**	**-**	**2,031**	**1.38**
Total	**86,198**	**100.00**	**82,795**	**100.00**	**147,556**	**100.00**

	Unaudited		Audited	
	FPE 2021		FPE 2022	
Cost of sales	**RM'000**	**%**	**RM'000**	**%**
Building construction	**56,393**	**100.00**	**117,804**	**98.27**
Build segment[1]	38,171	67.68	40,400	33.70
- *Residential*	*4,875*	*8.64*	*1,765*	*1.47*
- *Non-residential*	*33,296*	*59.04*	*38,635*	*32.23*
Design and build segment	18,222	32.32	77,404	64.57
- *Residential*	*9,788*	*17.36*	*30,252*	*25.24*
- *Non-residential*	*8,434*	*14.96*	*47,152*	*39.33*
Civil engineering works segment	**-**	**-**	**2,074**	**1.73**
Total	**56,393**	**100.00**	**119,878**	**100.00**

Note:

(1) Includes renovation works and interior fit-out works.

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Our cost of sales mainly consists of the following:

(a) Subcontractor costs

We engaged subcontractors to carry out certain portions of the construction works including building works comprising structural works and architectural works, M&E works, foundation works, piling works, earthworks, landscaping and infrastructure works. For FYE 2019, FYE 2020 and FYE 2021, subcontractor costs accounted for 57.10%, 58.83% and 58.20% of our total cost of sales respectively.

For the FYE 2020, our subcontractor costs decreased by RM0.51 million or 1.04% which was in line with the decrease in our revenue by 1.60% in FYE 2020 and this was mainly due to the lower percentage of work done for the Three33 Residence Project in FYE 2020 as it was completed in September 2020 and only minor rectification works were performed in FYE 2020 for the Cameron Fair Project, Pearl Suria Residence Project and N53 Super Link House Project. This decrease was however partially mitigated by the increase in costs for the Glenz Mixed Commercial Development Project which was on-going in FYE 2020.

For the FYE 2021, our subcontractor costs increased by RM37.18 million or 76.33% which was in line with the increase in our revenue by 76.15% in FYE 2021 and this was mainly due to higher M&E works performed in FYE 2021 for the Glenz Mixed Commercial Development Project, higher percentage of work done for the Armani Subang SOHO Project and Residensi Armani Petaling (Cheras) Project as well as the commencement of the CPL Aromas Pulau Indah Project, Malaysian Armed Forces (Package 3) Project, Beluran Police Camp Project and Residensi Armani Bukit Lanjan Project in FYE 2021.

For the FPE 2022, our subcontractor costs increased by RM33.41 million or 103.09% which was in line with the increase in our revenue by 110.32% in FPE 2022. The increase was mainly due to subcontractor costs incurred attributed to the various projects including Beluran Police Camp Project, CPL Aromas Pulau Indah Project, Armani Subang SOHO Project, Residensi Armani Petaling (Cheras) Project, Glenz Mixed Commercial Development Project, Permas City Project and Residensi Armani Bukit Lanjan Project.

Please refer to Section 12.2.3 of this Prospectus for further analysis on revenue by business activities.

(b) Construction materials

Construction materials mainly comprised steel materials, concrete and cement materials for our construction activities. For FYE 2019, FYE 2020 and FYE 2021, construction materials accounted for 25.39%, 26.52% and 29.22% of our total cost of sales respectively.

For FYE 2020, our cost of sales for construction materials increased by RM0.08 million or 0.35%. This was mainly attributed to an increase in the materials used such as steel materials, concrete and cement materials for the structural works of several projects which had commenced construction since FYE 2019. This includes the Glenz Mixed Commercial Development Project, Semi-D and Bungalow Houses (Pujaan) Project and PPA1M Houses Project. Additionally, the increase in construction materials cost was also partly contributed by the Residensi Armani Petaling (Cheras) Project which had commenced construction works in FYE 2020. This increase in cost of sales for construction materials was partially offset by the decrease in material costs for Three33 Residence Project which was already nearing completion in FYE 2020.

For the FYE 2021, our cost of sales for construction materials increased by RM21.16 million or 96.39%. This was mainly attributed to the higher level of construction activities for several of our Group's design and build contracts in FYE 2021 such as the Residensi Armani Petaling (Cheras) Project, Residensi Armani Bukit Lanjan Project, Armani Subang SOHO Project as well as our build segment such as the CPL Aromas Pulau Indah Project. This had necessitated an increase in materials used such as steel materials, concrete and cement materials for the structural works of the aforementioned projects in FYE 2021. The increase in our cost of sales for construction materials for FYE 2021 was also partly due to the increase in prices of the construction materials mainly involving steel products whereby the average purchase price of steel bars purchased by our Group increased by 43.27% in FYE 2021.

For the FPE 2022, our cost of sales for construction materials increased by RM18.28 million or 106.81%. This was mainly attributed to the higher level of construction activities for our on-going design and build projects which had necessitated an increase in materials used such as steel materials, concrete and cement materials for the structural works coupled with the slight increase in material prices (mainly steel bars) in FPE 2022.

Please refer to Section 9.1.3 of this Prospectus for further details on the risks relating to price fluctuations of our construction materials.

(c) Labour costs

Labour costs refer to direct labour costs of full time employees who are directly involved in the construction projects such as project managers and site supervisors.

For FYE 2020, our labour costs decreased by 23.89% or RM1.08 million and this was mainly due to the decrease in labour costs incurred from completed projects including the Three33 Residence Project which was completed in FYE 2020 as well as the TUDM Army Camp Package 2 Project and TUDM Army Camp Package 3 Project, both of which were completed in FYE 2019. The decrease was partially offset by the increase in labour cost incurred for several on-going projects including the Residensi Armani Petaling (Cheras) Project and the Glenz Mixed Commercial Development Project which coincides with the increase in percentage of completion of these projects as highlighted in Section 12.2.3 of this Prospectus.

For the FYE 2021, our labour costs increased by RM0.42 million or 12.16% and this was mainly contributed by the increase in labour-intensive works for several on-going building construction projects from the build segment as well as design and build segment which commenced construction in FYE 2020 and FYE 2021. The increase in labour costs incurred was partially moderated by the decrease in labour costs incurred from completed projects. Notwithstanding the higher level of construction activities for our construction projects during FYE 2021, the increase in labour costs of 12.16% was relatively lower as compared to the increase in construction material cost and subcontractor costs in FYE 2021 as our subcontractors for our projects during the year had, in general, sourced for their own labour supply and accordingly, such labour costs had been embedded within our subcontractor costs.

For the FPE 2022, our labour costs increased by RM1.83 million or 106.64% and this was mainly contributed by the increase in labour costs incurred for our on-going construction including Residensi Armani Petaling (Cheras) Project, Armani Subang SOHO Project, Residensi Armani Bukit Lanjan Project, Beluran Police Camp Project, Glenz Mixed Commercial Development Project, D'vine Residences Project and CPL Aromas Pulau Indah Project.

Please refer to Section 12.2.3 of this Prospectus for further analysis on revenue by business activities.

(d) Rental charges

We incur rental charges which mainly consists of rental of machinery and equipment comprising rental of cranes, loaders, excavators, compactors and scaffoldings for our building construction activities which accounted for 5.56%, 3.47% and 4.35% of our total cost of sales for FYE 2019, FYE 2020 and FYE 2021 respectively.

For FYE 2020, our cost of sales for the rental of machinery and equipment decreased by RM1.92 million or 40.07%. This was mainly attributed to the completion of the Three33 Residence Project in 2020 as well as the decrease in rental of excavators and compactors for the Glenz Mixed Commercial Development Project which were mainly used during the early stages of the construction.

For FYE 2021, our cost of sales for the rental of machinery and equipment increased by RM3.55 million or 123.53%. This was mainly attributed to several on-going building construction projects from the build segment and design and build segment which are at different stages of construction works and necessitates the use of machineries and equipment such as the Residensi Armani Petaling (Cheras) Project, Armani Subang SOHO Project, Residensi Armani Bukit Lanjan Project, CPL Aromas Pulau Indah Project and the commencement of our civil engineering works project namely Plot 3.

For the FPE 2022, our cost of sales for the rental of machinery and equipment increased by RM5.65 million or 256.56%. This was mainly attributed to our on-going construction projects from the build segment as well as design and build segment such as the Beluran Police Camp Project, D'vine Residences Project, CPL Aromas Pulau Indah Project, Residensi Armani Bukit Lanjan Project, Residensi Armani Petaling (Cheras) Project and Armani Subang SOHO Project, which are at different stages of construction works, hence necessitating the use of machineries and equipment.

(e) Project overhead and other related costs

Project overhead costs mainly include preliminary expenses incurred for the preparation of project sites and site office expense, depreciation costs and construction project related finance cost.

For FYE 2020, our project overhead and other related costs increased slightly by RM0.04 million or 0.64% and this was mainly due to the purchase of sanitizers, face masks and test kits.

For FYE 2021, our project overhead and other related costs increased by RM2.45 million or 42.21% and this was mainly due to the increase in expenses incurred for the preparation of project sites mainly the Beluran Police Camp Project and CPL Aromas Pulau Indah Project.

For the FPE 2022, our project overhead and other related costs increased by RM4.31 million or 146.22% and this was due to the increase in fuel and transportation costs for our on-going projects from build segment as well as design and build segment.

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12.2.5 Segmental Analysis by GP

(i) GP and GP margin by business activities

	Audited								
	FYE 2019			FYE 2020			FYE 2021		
	GP RM'000		GP margin %	GP RM'000		GP margin %	GP RM'000		GP margin %
Building construction	**12,509**	**100.00**	**12.67**	**14,329**	**100.00**	**14.75**	**23,221**	**98.71**	**13.76**
Build segment[1]	12,509	100.00	12.67	13,338	93.08	14.62	13,086	55.63	12.69
- *Residential*	*2,721*	*21.75*	*40.52*	*696*	*4.86*	*6.64*	*669*	*2.85*	*6.48*
- *Non-residential*	*9,788*	*78.25*	*10.64*	*12,642*	*88.22*	*15.66*	*12,417*	*52.78*	*13.39*
Design and build	-	-	-	991	6.92	16.80	10,135	43.08	15.43
- *Residential*	-	-	-	*812*	*5.67*	*14.66*	*4,920*	*20.91*	*15.10*
- *Non-residential*	-	-	-	*179*	*1.25*	*49.72*	*5,215*	*22.17*	*15.77*
Civil engineering works segment	**-**	**-**	**-**	**-**	**-**	**-**	**304**	**1.29**	**13.02**
Total	**12,509**	**100.00**	**12.67**	**14,329**	**100.00**	**14.75**	**23,525**	**100.00**	**13.75**

	Unaudited			Audited		
	FPE 2021			FPE 2022		
	GP RM'000		GP margin %	GP RM'000		GP margin %
Building construction	**10,132**	**100.00**	**15.23**	**19,725**	**98.45**	**14.34**
Build segment[1]	6,786	66.97	15.09	5,077	25.34	11.16
- *Residential*	*30*	*0.30*	*0.62*	*(176)*	*(0.88)*	*(11.06)*
- *Non-residential*	*6,756*	*66.67*	*16.87*	*5,253*	*26.22*	*11.97*
Design and build	3,346	33.03	15.51	14,648	73.11	15.91
- *Residential*	*1,778*	*17.55*	*15.37*	*5,358*	*26.74*	*15.05*
- *Non-residential*	*1,568*	*15.48*	*15.68*	*9,290*	*46.37*	*16.46*
Civil engineering works segment	**-**	**-**	**-**	**311**	**1.55**	**13.05**
Total	**10,132**	**100.00**	**15.23**	**20,036**	**100.00**	**14.32**

Note:

(1) Include renovation works and interior fit-out works.

FYE 2020 compared to FYE 2019

Our total GP increased by RM1.82 million or 14.55% to RM14.33 million in FYE 2020 while our GP margin improved from 12.67% in FYE 2019 to 14.75% in FYE 2020. The increase in overall GP was mainly attributed to our design and build segment which recorded a GP of RM0.99 million in FYE 2020 whilst the improvement in overall GP margin was mainly attributable to the Glenz Mixed Commercial Development Project and TUDM Army Camp Package 3 Project.

Build segment

GP from our build segment increased by RM0.83 million or 6.63% to RM13.34 million in FYE 2020, and our GP margin improved from 12.67% in FYE 2019 to 14.62% in FYE 2020 which was mainly contributed by the following:

- The improvement in GP margin was mainly attributable to the Glenz Mixed Commercial Development Project which recorded a higher margin of 18.60% in FYE 2020 (FYE 2019: 8.85%). This was primarily due to a downward revision in the budgeted cost from the use of alternative materials that are more cost effective which resulted in cost savings while still meeting the project's requirements and specifications. We recorded GP margin of 60.84% and 13.89% for TUDM Army Camp Package 3 Project for FYE 2020 and FYE 2019 respectively. The higher GP and GP margin contributed by the TUDM Army Camp Package 3 Project was mainly due to adjustments made in FYE 2020 to reflect a reduction in contract costs and a corresponding contract value (albeit at a lower quantum) following completion of works in FYE 2019.

The higher GP margin of 40.52% in FYE 2019 for the residential sub-segment under the build segment was mainly due to the lower subcontractor costs incurred during the finalisation of project accounts of the N53 Super Link House Project in FYE 2019.

The increase in GP in FYE 2020 was partially offset by the gross loss recorded from the following projects:

- A gross loss of RM4.02 million from Three33 Residence Project due to the additional costs incurred from the shorter permissible working hours at the site which had resulted in the increase in the overall cost to complete the said project.

- A gross loss of RM0.59 million from the Kalista Park Homes Project due to the additional works arising from revision in the scope of works by the customer resulting in lower overall margin of the project.

- A collective gross loss of RM1.06 million from the N53 Super Link House Project, Genting Midhill Project and BSP 21 Condominium Project which was associated with additional cost incurred for rectification works carried out. Although these projects recorded gross losses in FYE 2020, the overall projects still remain profitable.

Design and build segment

Our design and build segment recorded a GP of RM0.99 million with a GP margin of 16.80% in FYE 2020. This was mainly contributed by the Residensi Armani Petaling (Cheras) Project and Armani Subang SOHO Project which commenced in FYE 2020 with GP margins of 14.66% and 12.99% respectively.

FYE 2021 compared to FYE 2020

Our total GP increased by RM9.20 million or 64.18% to RM23.53 million in FYE 2021 while GP margin declined from 14.75% in FYE 2020 to 13.75% in FYE 2021. The increase in overall GP was mainly attributed to our design and build segment which increased by RM9.14 million or 922.70%.

Build segment

GP from our build segment decreased by RM0.25 million or 1.89% to RM13.09 million in FYE 2021 while GP margin declined from 14.62% in FYE 2020 to 12.69% in FYE 2021. This was mainly due to the following:

- Decrease in GP of RM4.90 million or 89.79% in FYE 2021 from the TUDM Army Camp Package 3 Project as the GP for FYE 2020 includes adjustments to contract values and cost as highlighted above. This had also contributed to the relatively higher GP margin in FYE 2020 (of 60.84%) in comparison to FYE 2021 (of 14.66%).

- Decrease in GP of RM2.01 million or 18.84% in FYE 2021 from the Glenz Mixed Commercial Development Project due to variation orders from the customer which resulted in additional cost incurred for work done in FYE 2021 which had lower GP margins. This resulted in the decrease of the GP margin of this project by 3.54% from 18.60% in FYE 2020 to 15.06% in FYE 2021.

The decrease in GP was partially offset by the increase in GP from the commencement of projects in FYE 2021 namely CPL Aromas Pulau Indah Project, D'vine Residences Project, KKB Academic Building and Student Accommodation Project as well as Malaysian Armed Forces (Package 3) Project, which collectively contributed a GP of RM3.22 million in FYE 2021.

Design and build segment

GP from our design and build segment increased by RM9.14 million or 922.70% to RM10.14 million in FYE 2021 while GP margin decreased from 16.80% in FYE 2020 to 15.43% in FYE 2021.

The increase in GP was mainly contributed by the following:

- The contribution from two design and build projects which commenced in FYE 2020 namely Residensi Armani Petaling (Cheras) Project and Armani Subang SOHO Project. These two projects collectively which commenced in FYE 2020 had contributed to an increase in GP of RM5.55 million or 661.11% in FYE 2021.

- The GP was also partly contributed by the commencement of two new design and build projects in FYE 2021 namely the Residensi Armani Bukit Lanjan Project and Beluran Police Camp Project which collectively contributed a GP of RM3.75 million.

The decline in the GP margin in FYE 2021 was mainly attributed to the higher margin in FYE 2020 arising from the finalisation of progress claims for the MyEG Project as there was a revenue of RM0.15 million recognised and no cost incurred during the finalisation of the claims, pursuant to the mutual termination of the contract in FYE 2019.

Civil engineering works segment

Our civil engineering works segment recorded a GP of RM0.30 million with a GP margin of 13.02% in FYE 2021. This was contributed by the Plot 3 project which commenced in FYE 2021 and was completed in January 2022.

FPE 2022 compared to FPE 2021

Our total GP increased by RM9.90 million or 97.74% to RM20.04 million in FPE 2022 while GP margin declined from 15.23% in FPE 2021 to 14.32% in FPE 2022. The increase in overall GP was mainly attributed to our design and build segment which increased by RM11.30 million or 337.73%.

Build segment

GP from our build segment decreased by RM1.71 million or 25.19% to RM5.08 million in FPE 2022 while GP margin declined from 15.09% in FPE 2021 to 11.16% in FPE 2022. This was mainly due to the decrease in GP of RM3.85 million or 85.80% in FPE 2022 from the Glenz Mixed Commercial Development Project mainly due to the near completion of construction as well as work done with lower GP margin. This has resulted in the decrease in GP margin of this project by 5.68% from 14.35% in FPE 2021 to 8.67% in FPE 2022.

The decrease in GP in FPE 2022 was partially offset by the increase in GP by RM2.10 million from the CPL Aromas Pulau Indah Project which was in line with the increase in revenue.

Design and build segment

GP from our design and build segment increased by RM11.30 million or 337.73% to RM14.65 million in FPE 2022 which was in line with the increase in revenue of 326.79% in FPE 2020 while the GP margin increased from 15.51% in FPE 2021 to 15.91% in FPE 2022. The improvement in GP margin was mainly due to the increased GP contribution from a higher margin project, namely the Beluran Police Camp Project.

Civil engineering works segment

Our civil engineering works segment recorded a GP of RM0.30 million with a GP margin of 13.05% in FPE 2022. This was mainly contributed by the Plot 9C project which was commenced in December 2021 and completed subsequent to FPE 2022.

Our civil engineering works are mainly earthworks and rock hacking works which involve site clearance, excavation and backfilling, as well as levelling, earth compacting and slope stabilisation. These types of works command a lower margin as it involves lesser specialisation and lesser skilled works.

(ii) GP by geographical markets

For the Financial Years and Period Under Review, all our gross profit was derived from Malaysia.

12.2.6 Interest and other income

Interest and other income	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Rental and utility fees	215	18.55	272	26.03	159	30.34
Interest income	102	8.80	178	17.03	154	29.39
Wage subsidy received(1)	-	-	143	13.68	111	21.18
Miscellaneous charges to subcontractors(2)	9	0.78	402	38.47	62	11.83
Gain on disposal of land and building(3)	629	54.27	-	-	30	5.73
Reversal of cost charged by subcontractor(3)	130	11.22	-	-	-	-
Others(4)	74	6.38	50	4.79	8	1.53
Total	**1,159**	**100.00**	**1,045**	**100.00**	**524**	**100.00**

Interest and other income	Unaudited		Audited	
	FPE 2021		FPE 2022	
	RM'000	%	RM'000	%
Rental and utility fees	102	71.61	68	6.87
Interest income	30	21.17	143	14.29
Wage subsidy received(1)	13	9.26	291	29.11
Miscellaneous charges to subcontractors(2)	(6)	(4.30)	405	40.56
Gain on disposal of land and building(3)	-	-	92	9.17
Others(4)	3	2.26	-	-
Total	**142**	**100.00**	**999**	**100.00**

Notes:

(1) The wage subsidy arises from the Group's eligibility for wage subsidy programmes implemented by the Government. The recurrence of such wage subsidies is dependent on the Government's initiatives as well as the Group's continued eligibility for such programmes in the future.

(2) Mainly includes supply of medical products and back charge of costs to subcontractors.

(3) These items are one-off in nature.

(4) Including gains on disposal of motor vehicles, penalties imposed on subcontractors, waiver obtained in relation to a property rented by our Group following the onset of the COVID-19 pandemic, and other miscellaneous income. Generally, these items are one-off in nature.

FYE 2020 compared to FYE 2019

Other income decreased by RM0.11 million or 9.84% to RM1.05 million in FYE 2020 and this was mainly due to the gains of RM0.63 million in FYE 2019 from the one-off disposal of a piece of leasehold land in Puchong which was previously acquired through Contra Payment for outstanding receivables from a customer for a project that was completed prior to the Financial Years Under Review. The decrease was partially offset by the increase of RM0.39 million in income from the miscellaneous charges to subcontractors which was mainly for the supply of medical products including face masks and sanitisers as well as charges for COVID-19 testing. In addition, we received a subsidy amounting to RM0.14 million under the wage subsidy programme.

FYE 2021 compared to FYE 2020

Other income decreased by RM0.52 million or 49.86% to RM0.52 million in FYE 2021 and this was mainly due to the decrease of RM0.34 million from the miscellaneous charges to subcontractors due to reduction in charges for COVID-19 testing and supply of medical products. The decrease was also partly due to the decrease of RM0.11 million in rental and utility fees mainly from our related parties, which have since ceased in FYE 2021. Please refer to Section 10.1 of this Prospectus for further details on the related party transactions.

FPE 2022 compared to FPE 2021

Other income increased by RM0.86 million or 603.52% to RM1.00 million in FPE 2022 and this was mainly contributed by the RM0.41 million pertaining to back charges of labour costs to subcontractors for reimbursement of costs of foreign worker labour as well as a subsidy received of RM0.29 million under the wage subsidy programme. In addition, the increase was also partly contributed by the increase in interest income of RM0.11 million in FPE 2022 mainly due to placement of fixed deposits.

12.2.7 Administrative and operating expenses

Administrative and operating expenses	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Administrative and operating expenses	**3,645**	**100.00**	**3,562**	**78.56**	**7,723**	**100.00**
- Staff cost[(1)]	1,017	27.90	800	17.64	2,107	27.28
- Directors' remuneration[(2)]	918	25.19	1,056	23.29	1,246	16.13
- Professional fees	80	2.19	116	2.56	945	12.24
- Bank charges	87	2.39	28	0.62	1,247	16.15
- Depreciation and amortisation	513	14.07	424	9.35	381	4.93
- Penalty payments[(3)]	101	2.77	402	8.87	117	1.51
- Rental expenses	284	7.79	253	5.58	252	3.26
- Other administrative expenses[(4)]	645	17.70	483	10.65	1,428	18.50
Others[(5)]	**-**	**-**	**972**	**21.44**	**-**	**-**
Total	**3,645**	**100.00**	**4,534**	**100.00**	**7,723**	**100.00**

Administrative and operating expenses	Unaudited FPE 2021 RM'000	%	Audited FPE 2022 RM'000	%
Administrative and operating expenses				
- Staff cost[1]	480	12.79	1,948	37.51
- Directors' remuneration[2]	481	12.82	625	12.04
- Professional fees	368	9.81	1,388	26.73
- Bank charges	1,227	32.69	4	0.08
- Depreciation and amortisation	192	5.12	106	2.04
- Rental expenses	136	3.62	103	1.98
- Other administrative expenses[4]	869	23.15	1,019	19.62
Total	**3,753**	**100.00**	**5,193**	**100.00**

Notes:

(1) Staff costs include salaries, bonuses, allowances, employee contributions and other staff related expenses.

(2) Directors' remuneration includes salaries, bonuses, allowances and contributions.

(3) Penalties incurred mainly due to the Tax Investigation.

(4) Other administrative and operating expenses include authority fees such as stamp duty payment, quit rent and assessment fees, insurance premiums paid, upkeep and maintenance, utilities, travelling and transportation expense, office related expenses such as printing and stationary expenses, COVID-19 expenses, information technology ("IT") related fees, fixed assets written off of RM0.02 million in FYE 2021 mainly pertaining to furniture and fittings which were damaged and no longer in use and payment of application fees to Bursa Securities in May 2022 for our IPO exercise.

(5) Including loss on disposal of investment in associate and impairment of assets held for sale.

FYE 2020 compared to FYE 2019

Our administrative and operating expenses increased by RM0.89 million or 24.39% to RM4.53 million in FYE 2020. This was mainly contributed by the loss of RM0.64 million from the disposal of investment in Grand Golden Development Sdn Bhd, an associate company in FYE 2020. Please refer to Section 12.4 (ix) of this Prospectus for further details on the disposal.

In addition, during FYE 2020 there was an impairment loss on assets held for sale of RM0.33 million which consists of a leasehold land with one unit of three storey semi-detached residential property in Puchong. On 9 July 2021, we entered into the sale and purchase agreement with a buyer for a total purchase consideration of RM1.50 million. Please refer to Note 13 of the Accountant's Report included in Section 14 of this Prospectus for further details on the impairment loss.

In FYE 2020, there was also an increase in penalty payments by RM0.30 million or 298.02% mainly due to tax penalties arising from a tax investigation initiated by IRB on Vestland Resources which has since been concluded. Further details on the Tax Investigation have been set out under Section 7.19 of this Prospectus.

The increase in administrative and operating expenses was however partially offset by a decrease in staff cost by RM0.22 million or 21.34% due to the lower average headcount of 55 employees in FYE 2020 (FYE 2019: 75 employees) mainly because of the gradual resignation of employees throughout FYE 2019 to FYE 2020.

FYE 2021 compared to FYE 2020

Our administrative and operating expenses increased by RM3.19 million or 70.34% to RM7.72 million in FYE 2021. This was mainly contributed by an increase of RM1.31 million or 163.38% in staff cost due to the increase in the average number of employees from 55 employees in FYE 2020 to 73 employees in FYE 2021 mainly because of hiring of additional employees which is aligned with the expansion of our business operations. The increase was also contributed by the increase of RM0.83 million or 714.66% in professional fees mainly incurred for our IPO exercise. The increase was also partly due to the increase of RM1.22 million or 4,353.57% in bank charges for the bank guarantee obtained for the Beluran Police Camp Project and the processing fees for the revolving credit facilities which was secured in FYE 2021.

In addition, there was an increase in other administrative and operating expenses by RM0.92 million or 190.06% in FYE 2021 mainly due to higher stamp duty charges for banking facilities secured during FYE 2021, COVID-19 related expenses and IT related fees.

FPE 2022 compared to FPE 2021

Our administrative and operating expenses increased by RM1.44 million or 38.37% to RM5.19 million in FPE 2022. This was mainly contributed by an increase of RM1.47 million or 305.83% in staff cost due to the increase in the average number of employees from 57 employees in FPE 2021 to 112 employees in FPE 2022. This was related to the hiring of additional employees in line with the expansion of our business operations. The increase was also contributed by the increase of RM1.02 million or 277.17% in professional fees mainly for our IPO exercise.

The increase was also partially moderated by the decrease of RM1.22 million or 99.67% in bank charges being a one-off fee charged for the bank guarantee and revolving credit facilities secured in FYE 2021 as mentioned above.

12.2.8 Finance costs

	Audited					
	FYE 2019		FYE 2020		FYE 2021	
Finance costs	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Interest expense on:						
- Term loans	158	24.20	414	33.91	808	46.62
- Bank overdraft	445	68.15	787	64.46	468	27.01
- Revolving credit	-	-	-	-	409	23.60
- Lease interest	50	7.65	20	1.63	48	2.77
Total	**653**	**100.00**	**1,221**	**100.00**	**1,733**	**100.00**

Finance costs	Unaudited FPE 2021 RM'000	%	Audited FPE 2022 RM'000	%
Interest expense on:				
- Term loans	404	55.93	426	55.25
- Bank overdraft	298	41.25	-	-
- Revolving credit	-	-	314	40.71
- Lease interest	20	2.82	31	4.04
Total	**722**	**100.00**	**771**	**100.00**

Our finance costs consists primarily of interest charged on bank and trade facilities granted by banking and financial institutions such as term loans, bank overdraft, revolving credits and hire purchase. Our finance costs for the FYE 2019, FYE 2020 and FYE 2021 amounted to 0.66%, 1.26% and 1.01% of our Group's total revenue respectively.

FYE 2020 compared to FYE 2019

Our finance costs increased by RM0.57 million or 86.98% to RM1.22 million in FYE 2020. This was mainly attributed to the increase in interest expense of RM0.34 million on bank overdraft facilities due to the higher utilisation of bank overdraft facilities in FYE 2020 for working capital to pay our suppliers and subcontractors for the Glenz Mixed Commercial Development Project. As at 31 December 2020, our bank overdraft was RM14.31 million which was higher compared to RM8.57 million as at 31 December 2019.

In addition, the increase in finance costs was partly contributed by the increase in interest expense of RM0.26 million on term loans which were mainly utilised for the purchase of 8 shop units from the Glenz Mixed Commercial Development Project which was drawn down in FYE 2020.

FYE 2021 compared to FYE 2020

Our finance costs increased by RM0.51 million or 41.93% in FYE 2021. This was mainly due to the interest expense of RM0.41 million on revolving credit which was utilised for working capital to pay our suppliers. In addition, the increase in finance costs was partly contributed by the increase in interest expense of RM0.40 million on term loans which were mainly utilised for working capital purposes as well as for the full year recognition of the term loans utilised to purchase 8 shop units from the Glenz Mixed Commercial Development Project. The increase was partially offset by the decrease in interest expense on bank overdraft facilities due to lower utilisation of bank overdraft in FYE 2021 which is in line with the near completion of the Glenz Mixed Commercial Development Project towards the end of FYE 2021.

FPE 2022 compared to FPE 2021

Our finance costs increased by RM0.05 million or 6.79% in FPE 2022. This was mainly due to the interest expense of RM0.31 million on revolving credit which was utilised for working capital purposes. The increase was partially offset by the decrease in interest expense on bank overdraft facilities as there was no utilisation of bank overdraft in FPE 2022 following the completion of the Glenz Mixed Commercial Development Project in March 2022.

12.2.9 PBT, PAT and effective tax rate

	Audited		
	FYE 2019	FYE 2020	FYE 2021
PBT (RM'000)	9,370	9,619	14,593
PBT margin	9.49%	9.90%	8.53%
Total taxation (RM'000)	2,205	2,610	3,958
Effective tax rate	23.53%	27.13%	27.12%
PAT (RM'000)	7,165	7,009	10,635
PAT margin	7.26%	7.22%	6.22%

	Unaudited	Audited
	FPE 2021	FPE 2022
PBT (RM'000)	5,799	15,071
PBT margin	8.72%	10.77%
Total taxation (RM'000)	1,597	4,405
Effective tax rate	27.53%	29.23%
PAT (RM'000)	4,202	10,666
PAT margin	6.32%	7.62%

FYE 2020 compared to FYE 2019

Our PBT increased by RM0.25 million or 2.66% to RM9.62 million in FYE 2020, while PBT margin improved from 9.49% in FYE 2019 to 9.90% in FYE 2020. This was mainly attributed to the improvements in GP and GP margin from our construction business in FYE 2020. Please refer to Section 12.2.5(i) of this Prospectus for further details on GP and GP margin by business activities. The improvement in PBT margin was moderated by the higher administrative and operating expenses incurred during the FYE 2020 mainly attributed to the loss on disposal of investment in associate and impairment loss on assets held for sale as well as an increase in finance cost in FYE 2020.

For FYE 2020, our effective tax rate was 27.13%, which was higher than the statutory tax rate of 24%. This was mainly due to the net non-deductible expenses of RM0.53 million which mainly includes non-deductible accruals primarily attributed to contingency expenses for the potential delay in construction work due to COVID-19 and loss on disposal of investment in associate.

Our PAT decreased by RM0.16 million or 2.18% to RM7.01 million, while PAT margin declined from 7.26% in FYE 2019 to 7.22% in FYE 2020. This was mainly due to the higher tax expense in FYE 2020 which increased by RM0.41 million or 18.37% in FYE 2020.

FYE 2021 compared to FYE 2020

Our PBT increased by RM4.97 million or 51.71% to RM14.59 million in FYE 2021 which was contributed by the increase in GP from our construction business in FYE 2021. Our PBT margin decreased from 9.90% in FYE 2020 to 8.53% in FYE 2021, mainly due to the decrease in GP margin from 14.75% in FYE 2020 to 13.75% in FYE 2021 coupled with the increase in administrative and operating expenses in FYE 2021. Please refer to Section 12.2.5(i) of this Prospectus for further details on GP and GP margin by business activities.

For FYE 2021, our effective tax rate was 27.12%, which was higher than the statutory tax rate of 24%. This was mainly due to the net non-deductible expenses of RM0.46 million which includes depreciation and bank charges.

Our PAT increased by RM3.63 million or 51.73% to RM10.64 million in FYE 2021 which was contributed by the increase in GP from our construction business as mentioned above. Our PAT margin declined from 7.22% in FYE 2020 to 6.22% in FYE 2021 mainly due to the higher tax expense in FYE 2021 which increased by RM1.35 million or 51.65% in FYE 2021.

FPE 2022 compared to FPE 2021

Our PBT increased by RM9.27 million or 159.89% to RM15.07 million in FPE 2022 which was contributed by the increase in GP from our construction business in FPE 2022. Our PBT margin increased from 8.72% in FPE 2021 to 10.77% in FPE 2022, mainly due to the increase in interest and other income in FPE 2022 and this was partially moderated by the higher administrative and operating expenses incurred during the FPE 2022.

For FPE 2022, our effective tax rate was 29.23%, which was higher than the statutory tax rate of 24%. This was mainly due to the net non-deductible expenses of RM0.52 million which includes mainly professional fees for the IPO exercise and interest expense for term loan.

Our PAT increased by RM6.46 million or 153.83% to RM10.67 million in FPE 2022 which was contributed by the increase in GP from our construction business as mentioned above. Our PAT margin improved from 6.32% in FPE 2021 to 7.62% in FPE 2022 mainly due to the increase in interest and other income in FPE 2022 as well as a lower proportion of administrative and operating expenses against the revenue generated where our administrative and operating expenses was 3.71% over total revenue for FPE 2022 which was lower compared to 5.64% in FPE 2021.

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12.3 SIGNIFICANT FACTORS AFFECTING OUR GROUP'S OPERATIONS AND FINANCIAL PERFORMANCE

(i) Ability to secure new projects to ensure continuity of our order book

Our business and financial performance is dependent on our ability to continually secure new projects to ensure the continuity of our order book to sustain our business. We have to continue to submit bids and tenders for proposals and compete against our peers to continuously secure new projects. As at the LPD, we have a total outstanding order book of RM947.43 million, which is expected to be recognised progressively over the next 4 financial years.

Our order book is project based and typically non-recurring. Our order book is also subject to variation orders for additional works and/or reduction of works or unexpected project cancellations, delays or postponement of project which would reduce the value of our order books and consequently affect our future financial performance.

In this respect, our business sustainability and growth are dependent on our ability to secure new projects to expand our order book.

Please refer to Section 9.1.1 of this Prospectus for further details.

(ii) Delay in the completion of projects or cancellation of projects may affect the business and financial performance

We have to adhere to an agreed timeline that is stipulated in the contracts for our construction projects. Although we may continue to monitor and manage the projects closely and adhere to our project execution schedule and milestones, there is a risk that we may not be able to complete our project in time due to external factors that are beyond our control. In the event of any delays in the completion of our projects, we will be liable for LAD claims and/or penalties from customers which may adversely affect our financial performance and reputation. In addition, if we are unable to complete our construction projects due to unforeseen circumstances, this would adversely impact our reputation and our customers may not pay us in full for the project. Further, our financial performance may also be affected if our projects are cancelled or terminated.

Please refer to Section 9.1.2 of this Prospectus for further details.

(iii) Our business operations may be exposed to liquidity risk from either delay in collections or non-recoverability of trade receivables/retention sum or collections in payment in kind (Contra Payment) that may affect our cash flow and working capital

We are exposed to delays in collection and/or non-recoverability of trade receivables and/or retention sum from our customers. At present, the credit terms granted to our customers are mainly 90 days from the date of progress billings depending on the terms of the contracts. If we experience any delay and/or non-payment by our customers, we may face potential cash flow constraints. This may result in a material adverse impact on our financial condition, our ability to pay our suppliers and potentially delay the progress of our projects.

In some instances where our customers are unable to settle the amount due to us, they may request for us to consider Contra Payment as settlement. There are also instances where we will acquire properties to support our customers' property development projects. Such acquisition is usually undertaken by our Company on a goodwill basis and does not form part of the contractual terms.

In view of this, any acquisition of properties by us pursuant to Contra Payment or project support may impact on our cash flow and liquidity position, which may in turn reduce the financial resources available for our core business operations in the construction services.

Please refer to Section 9.1.11 of this Prospectus for further details.

(iv) We face the risk of cost overruns for our projects

Our construction projects are mainly based on a fixed contract value. In the event of unanticipated cost increases during the project execution and construction period where we are unable to pass the increases in cost to our customers, this would adversely affect our financial performance. The increase in the cost of construction could be affected by various factors including, among others, prices of construction materials, labour cost and site overheads as well as prolonged project period all of which could adversely affect our profit margin.

Please refer to Section 9.1.3 of this Prospectus for further details.

(v) Our business is concentrated on a few major customers

During the Financial Years and Period Under Review, some of our major customers had contributed substantially to our revenue. Hence, our Group is exposed to customer concentration risk from time to time depending on the quantum of the projects secured and tenure of contracts. Notwithstanding the aforesaid, our Group is not dependent on any particular customer as our Group's business is conducted on a contract basis, which typically ranges from 2 to 3 years. Our financial performance may be materially and adversely affected if we were to lose one or more of our major customers (or reduce the level of services provided to them) without capturing new customers to replace the loss of business in a timely manner.

Please refer to Section 9.1.14 of this Prospectus for further details.

(vi) Our profitability performance could vary from year to year which is attributed to the types of construction contracts that we secure

The revenue contribution from design and build segment accounted for 6.07% (RM5.90 million), 38.38% (RM65.67 million) and 65.79% (RM92.05 million) of our total revenue for FYE 2020, FYE 2021 and FPE 2022 respectively. During the Financial Years and Period Under Review, the GP margin of our design and build segment was 16.80%, 15.43% and 15.91% for FYE 2020, FYE 2021 and FPE 2022 respectively, which was slightly higher than the build segment of 14.62%, 12.69% and 11.16% for FYE 2020, FYE 2021 and FPE 2022 respectively. Part of our strategy is to expand our design and build segment to address opportunities for our future order book. However, there is no assurance that we will be able to continue to secure design and build contracts to sustain the revenue contribution and garner higher margin compared to build segment.

(vii) Impact of government / economic / fiscal / monetary policies

We are involved in the construction of buildings within the construction industry where our business is subject to the risk relating to government, economic, fiscal or monetary policies. Any adverse developments in the government policies, economic conditions or fiscal or monetary policies in Malaysia could unfavourably affect our financial and business prospects. Please refer to Section 9.2 of this Prospectus for further details.

(viii) Impact of foreign exchange

Our construction contracts are solely denominated in RM and all of our revenue is transacted in RM. As the construction materials that we utilised for our construction activities were sourced from local suppliers and our purchases of construction materials were also transacted in RM, our financial performance for the Financial Years and Period under Review was not affected by any fluctuations in foreign exchange.

(ix) Impact of interest rate

Our exposure to changes in interest rate risk relates primarily to our borrowings from financial institutions. We do not generally hedge interest rate risks. For the Financial Years and Period Under Review, our financial performance was not materially affected by the fluctuations of interest rates.

(x) Impact of inflation

The areas that inflation may affect our financial performance include increase in subcontractor cost, construction material cost and labour cost. Whilst our financial performance for the Financial Years and Period Under Review was not materially affected by the impact of inflation in Malaysia, there can be no assurance this will be the case and that the financial performance will not be materially affected by inflation in the future.

12.4 LIQUIDITY AND CAPITAL RESOURCES

(i) Working capital

Our business is financed by a combination of internal and external sources of funds. Internal sources of funds comprised cash generated from our business operations while our external sources of funds mainly consist of banking facilities from financial institutions. These funds are mainly used to finance our business operations and growth.

Based on our statements of financial position as at 30 June 2022, we have total fixed deposits as well as cash and bank balances of RM38.32 million (including RM13.65 million of fixed deposits and bank balances pledged as security for banking facilities granted to our Group) and total borrowings of RM44.10 million. As at 31 December 2019, 2020, 2021 and 30 June 2022, our current ratios were 1.08 times, 1.46 times, 1.26 times and 1.28 times respectively. As at the LPD, we have available banking facilities amounting to RM118.60 million, of which RM84.39 million are yet to be utilised.

Our Directors are of the opinion that, after taking into consideration our fixed deposits, cash and bank balances, cash generated from our business operations, the amount of unutilised banking facilities and the total proceeds of RM56.10 million to be raised from the Public Issue, we will have adequate working capital to meet our present and foreseeable requirements for at least 12 months from the date of this Prospectus.

(ii) Cash flows

The following is a summary of our statements of cash flows for FYE 2019, FYE 2020 and FYE 2021 as well as FPE 2022. This should be read in conjunction with the Accountants' Report as set out in Section 14 of this Prospectus.

	Audited			
	FYE 2019 RM'000	**FYE 2020 RM'000**	**FYE 2021 RM'000**	**FPE 2022 RM'000**
Net cash from / (used in) operating activities	3,306	(6,558)	6,095	6,477
Net cash (used in) / from investing activities	(3,385)	(520)	6,337	7,762
Net cash from / (used in) financing activities	1,421	2,896	(8,281)	6,542
Net increase / (decrease) in cash and cash equivalents	**1,342**	**(4,182)**	**4,151**	**20,781**
Cash and cash equivalents at beginning of the financial year	**2,578**	**3,920**	**(262)**	**3,889**
Cash and cash equivalents at the end of the financial year[(1)]	**3,920**	**(262)**	**3,889**	**24,670**

Note:

(1) The components of our cash and cash equivalents are set out below:

	Audited			Audited
	FYE 2019 RM'000	**FYE 2020 RM'000**	**FYE 2021 RM'000**	**FPE 2022 RM'000**
Cash and bank balances	12,489	14,047	11,706	33,354
Fixed deposits with licensed banks	3,450	-	3,029	4,961
Less:				
Bank overdraft	(8,569)	(14,309)	-	-
Pledged deposits	(3,450)	-	(3,029)	(4,961)
Bank balances pledged	-	-	(7,817)	(8,684)
	3,920	**(262)**	**3,889**	**24,670**

(a) Net cash from operating activities

<u>FYE 2019</u>

For FYE 2019, our net operating cash flow was RM3.31 million after taking into account the following:

- Decrease in trade receivables of RM10.46 million mainly due to higher collections (net of certified progress billings) from customers including RM9.17 million from the BSP21 Condominium Project and RM8.68 million from the Zenopy Residences Project which was partly offset by an increase in certified progress billings (net of collections) issued to the customer for the Glenz Mixed Commercial Development Project amounting to RM11.01 million;

- Increase in other receivables of RM2.85 million mainly relating to the placement of deposits in lieu of performance bond for Glenz Mixed Commercial Development Project;

- Decrease in trade and other payables by RM4.18 million which was mainly due to the decrease in accruals for construction works undertaken and payment of GST in FYE 2019;

- Increase in contract assets by RM1.47 million, which was mainly attributable to an increase in unbilled progress billings for the Glenz Mixed Commercial Development Project where the project cost has been incurred but has not been submitted as claims to our customer during the FYE 2019;

- Decrease in contract liabilities by RM6.55 million which was mainly due to timing differences with higher revenue recognised based on the cost incurred method as compared to the certified progress billings in FYE 2019 for the Cameron Fair Project and N53 Super Link House Project;

- Decrease in domestic recourse factoring by RM1.44 million mainly due to repayments of this facility used for the Kalista Park Homes Project; and

- Income tax paid of RM1.51 million.

FYE 2020

For FYE 2020, our Group recorded a net cash used in operating activities of RM6.56 million after taking into account the following:

- An increase in trade and other receivables by RM19.77 million was mainly attributed to the following:

  - Increase in trade receivables of RM17.22 million which was in line with the increase in certified progress billings (net of collections) issued to customers mainly for the Glenz Mixed Commercial Development Project, Residensi Armani Petaling (Cheras) Project and PPA1M Houses Project, which collectively amounted to RM26.28 million. This was partially offset by the payments received mainly from the Three33 Residence Project; and

  - increase in other receivables of RM2.55 million which was mainly due to an increase in placement of deposit for performance bond for the Residensi Armani Petaling (Cheras) Project amounting to RM2.00 million;

- A decrease in trade and other payables by RM0.25 million was mainly due to a reduction in accruals for construction works undertaken and retention sum obtained from subcontractors which was partially offset by the increase in trade and other payables in FYE 2020;

- A decrease in contract assets by RM6.44 million was mainly due to an increase in progress billings issued for the Three33 Residence Project and Glenz Mixed Commercial Development Project. The Three33 Residence Project was completed during the FYE 2020 while a higher proportion of work was billed to our customer for the Glenz Mixed Commercial Development Project in FYE 2020;

- A decrease in contract liabilities by RM5.83 million which was mainly due to the completion of TUDM Army Camp Package 3 Project. This decrease was partially offset by an increase in contract liabilities for the Residensi Armani Petaling (Cheras) Project due to timing differences with higher certified progress billings compared to the revenue recognised based on the cost incurred method in FYE 2020; and

- Income tax paid of RM0.58 million.

For FYE 2020, we recorded a negative operating cash flows of RM6.56 million which was mainly due to an increase in trade receivables of RM17.23 million arising from higher progress billings issued to customers in the last quarter of FYE 2020. This was mainly for the Glenz Mixed Commercial Development Project, Residensi Armani Petaling (Cheras) Project and PPA1M Houses Project. The negative operating cash flow has not materially impacted our operations as we were able to utilise our banking facilities for our working capital purposes. In addition, we had subsequently collected the majority of the aforementioned outstanding trade receivables in FYE 2021.

FYE 2021

For FYE 2021, our net operating cash flows was RM6.09 million after taking into account the following:

- An increase in trade and other receivables of RM34.84 million which was mainly attributed to the following:

  - increase in trade receivables of RM21.66 million mainly attributed to the increase in certified progress billings issued to customers primarily for the design and build projects including Armani Subang SOHO Project, Residensi Armani Bukit Lanjan Project, Beluran Police Camp Project and Residensi Armani Petaling (Cheras) Project as well as build projects including CPL Aromas Pulau Indah Project and PPA1M Houses Project; and

  - increase in other receivables of RM13.18 million mainly due to an increase in cash deposits in lieu of performance bond for the Beluran Police Camp Project and Residensi Armani Bukit Lanjan Project;

- An increase in trade and other payables by RM38.88 million mainly due to increase in billings from our subcontractors and suppliers which corresponds with an increase in construction activities during FYE 2021 as well as a deposit received as advance payment for the Beluran Police Camp Project;

- An increase in contract assets by RM11.16 million mainly due to an increase in unbilled progress billings for our on-going projects including building construction as well as design and build projects namely Glenz Mixed Commercial Development Project, CPL Aromas Pulau Indah Project, KKB Academic Building and Student Accommodation Project, Residensi Armani Petaling (Cheras) Project, PPA1M Houses Project and Residensi Armani Bukit Lanjan Project;

- A decrease in contract liabilities by RM0.66 million which was mainly due to timing differences with higher revenue recognised based on the cost incurred method as compared to the certified progress billings for the Residensi Armani Petaling (Cheras) Project. This decrease was partially offset by an increase in contract liabilities for the D'vine Residences Project, Beluran Police Camp Project and Armani Subang SOHO Project due to timing differences with higher certified progress billings compared to the revenue recognised based on the cost incurred method in FYE 2021; and

- Income tax paid of RM4.10 million.

FPE 2022

For the FPE 2022, our net operating cash flows was RM6.48 million after taking into account the following:

- an increase in trade and other receivables of RM21.93 million mainly attributed to the increase in certified progress billings issued to customers in the second quarter of 2022. These progress billings were mainly for the design and build projects including Beluran Police Camp Project, Permas City Project, D'vine Residences Project and Residensi Armani Bukit Lanjan Project;

- an increase in contract liabilities of RM10.24 million mainly for the Beluran Police Camp Project, D'vine Residences Project and Permas City Project due to the timing differences with higher certified progress billings as compared to the revenue recognised based on the cost incurred method;

- an increase in trade and other payables of RM5.47 million mainly attributed to the increase in billings from our subcontractors and suppliers which was in line with the increase in construction activities during FPE 2022. This was partially offset by the decrease in other payables primarily due to repayments for the amount due to the developer of the office suites at the Glenz Mixed Commercial Development Project; and

- an increase in contract assets of RM1.70 million mainly due to the increase in unbilled progress billings for on-going projects including Residensi Armani Petaling (Cheras) Project, Residensi Armani Bukit Lanjan Project, KKB Academic Building and Student Accommodation Project and Armani Subang SOHO Project. This was partially offset by a decrease in contract assets for the Glenz Mixed Commercial Development Project and PPA1M Houses Project as these projects were completed in FPE 2022.

(b) Net cash used in investing activities

FYE 2019

For the FYE 2019, our Group's net cash used in investing activities was RM3.39 million and this was mainly due to the following:

- RM2.63 million of net advances extended to third party companies. This includes RM1.93 million to Sg. Besi Construction Sdn Bhd which was for a refundable deposit for an intended purchase of units in the Glenz Mixed Commercial Development Project. Sg. Besi Construction Sdn Bhd was one of our major customers during the FYE 2019. The remaining RM0.71 million of net advances was extended to GCPG Holdings Sdn Bhd which was subsequently extended to our then associate company, Le Garden Development Sdn Bhd for working capital purposes. GCPG Holdings Sdn Bhd was then a 50% shareholder of Le Garden Development Sdn Bhd. These advances have been fully settled as at the LPD;

- RM1.50 million of net advances extended, novation arrangement, payments made on behalf, as well as back charges of rental and utilities fees to affiliated companies where our directors have interests including V Group Land, Next Gen Themepark (1U) Sdn Bhd and Next Gen Themepark Sdn Bhd. The advances to these affliated companies have been fully settled as at the LPD. Please refer to Section 10.1 of this Prospectus for further details on the related party transactions;

- RM1.21 million arising from the acquisition of investment properties, namely two units of serviced apartments from the completed Genting Midhill Project arising from Contra Payments. The Contra Payments were the settlement against outstanding receivables from a customer (which is a related company of the developer of the Genting Midhill Project) from a project which was completed prior to Financial Years Under Review;

- RM0.58 million of net advances extended, payments made on behalf, as well as back charges of rental and utilities fees to our then associate companies namely Le Garden Development Sdn Bhd and Grand Golden Development Sdn Bhd where we held 50.00% and 20.00% of equity interest respectively in FYE 2019. Subsequently, we had disposed of our equity interest in these two companies in FYE 2021 and FYE 2020 respectively; and

- RM0.44 million for the subscription of shares in our then associate company, namely Grand Golden Development Sdn Bhd.

The net cash used in investing activities was partially offset by proceeds from the disposal of a piece of leasehold industrial land of RM2.96 million in Puchong, which was previously acquired through Contra Payment.

FYE 2020

For FYE 2020, our Group's net cash used in investing activities was RM0.52 million. This was mainly attributed to advances of RM3.63 million to affiliated companies in FYE 2020 including RM2.05 million to Pujaan Harmoni Sdn Bhd, one of our customers and a wholly-owned subsidiary of Le Garden Development Sdn Bhd which was our then associate company. Furthermore, our Group also extended RM1.12 million to Next Gen Themepark Sdn Bhd, a company held by persons connected to our directors and substantial shareholders. The advances to Next Gen Themepark Sdn Bhd have been fully settled as at the LPD. Please refer to Section 10.1 of this Prospectus for further details on the related party transactions.

The net cash used in investing activities was partially offset by the following:

- RM2.30 million received from the net repayment of advances by our then associate companies namely Le Garden Development Sdn Bhd and Grand Golden Development Sdn Bhd pertaining to the advances extended to these companies;

- RM0.67 million received from the net repayment of advances by a third party, namely Sg. Besi Construction Sdn Bhd; and

- Interest income of RM0.18 million mainly from the fixed deposits placed with licensed banks.

FYE 2021

For FYE 2021, our Group's net cash from investing activities was RM6.34 million. This was mainly attributed to the following:

- RM5.02 million received from the repayment of advances by third party companies including GCPG Holdings Sdn Bhd and Sg. Besi Construction Sdn Bhd pertaining to advances extended to these companies as mentioned above in FYE 2019 as well as repayment of advances by Awana JV Suria Saga Sdn Bhd which was previously extended for purposes of defraying expenses for a potential project. As at the LPD, the advances to GCPG Holdings Sdn Bhd, Sg. Besi Construction Sdn Bhd and Awana JV Suria Saga Sdn Bhd have been fully settled; and

- RM2.23 million of proceeds received including RM1.73 million from the disposal of a unit of condominium in Kuala Lumpur as well as RM0.50 million from the disposal of investment in an associate company, Le Garden Development Sdn Bhd.

The net cash from investing activities was partially offset by RM1.05 million of cash used as partial payment for the purchase of property, plant and equipment mainly for the purchase of 10 units of offices in the Glenz Mixed Commercial Development Project to be used as our new head office.

FPE 2022

For the FPE 2022, our net cash from investing activities was RM7.76 million which was mainly attributed to the following:

- RM4.19 million received from the repayment of advances from affiliated companies where our directors have interests including Next Gen Themepark Sdn Bhd, Next Gen Themepark (1U) Sdn Bhd and V Group Land;

- RM1.92 million of proceeds received from the disposal of a leasehold land with a 3-storey semi-detached residential house and a leasehold land with a double storey terrace house, both which are located in Selangor;

- RM1.30 million received from the repayment of advances from a third party company namely Awana JV Suria Saga Sdn Bhd pertaining to the advances previously extended for the purposes of defraying expenses for a potential project; and

- RM0.55 million of proceeds received from the disposal of one unit of serviced apartment in Bentong, Pahang.

(c) Net cash from financing activities

FYE 2019

For FYE 2019, our net cash from financing activities of RM1.42 million was mainly attributable to the following:

- advances of RM3.21 million from third parties, namely Wong Ngok Lim and Golden Armani Sdn Bhd, being business associates of our Group. These advances were provided upon request by our Group, taking into consideration that during FYE 2019, we had just commenced one of our major mixed development project in FYE 2019, namely the Glenz Mixed Commercial Development Project. Such advances were cost beneficial to our Group, i.e. without having to incur additional interest costs as compared to bank borrowings and will further supplement our working capital requirements. Nonetheless, as at the LPD, these advances have been fully settled and we have ceased to accept advances from third parties for working capital purposes; and

- net drawdown of term loans of RM2.49 million for working capital purposes.

The net cash from financing activities was partially offset by the following:

- payment of dividends of RM2.25 million in FYE 2019 to the shareholders of Vestland Resources; and

- others include an increase of RM0.96 million in fixed deposits that was pledged with licensed banks as securities for banking facilities granted, interest payments of RM0.65 million as well as RM0.44 million used for the repayment of lease liabilities mainly for hire purchases of motor vehicles and tower cranes.

FYE 2020

For FYE 2020, our net cash generated from financing activities of RM2.90 million was mainly attributed to the following:

- RM3.45 million from the withdrawal of fixed deposits which was previously pledged for project financing purposes; and

- net drawdown of term loans of RM2.38 million which include a drawdown of RM13.06 million of term loans for the purchase of 8 shop units at Glenz Mixed Commercial Development Project and for working capital purposes which was partially offset against a decrease in amount due to the developer of the said 8 shop units.

The net cash from financing activities was partially offset by the following:

- RM1.31 million, being part repayment of advances to third parties as mentioned above where total advances of RM3.21 million was previously obtained for working capital purposes; and

- Other payments included an interest payment of RM0.99 million and RM0.68 million used for the repayment of lease liabilities mainly for hire purchases of motor vehicles and tower cranes.

FYE 2021

For FYE 2021, our net cash used in financing activities of RM8.28 million was mainly attributed to the following:

- RM7.82 million of bank balance that was pledged with a licensed bank as security for banking facilities granted;

- RM3.03 million of fixed deposit that was pledged with licensed banks as securities for banking facilities granted;

- RM1.91 million of repayment of advances to third parties as mentioned above. As at the LPD, the said third party advances have been fully settled; and

- Other payments included interest payments of RM1.70 million and RM1.22 million used for the repayment of lease liabilities mainly for hire purchases of motor vehicles and tower cranes.

The net cash used was partially offset by the net drawdown of revolving credit of RM5.54 million and term loans of RM1.90 million mainly for working capital purposes.

FPE 2022

For the FPE 2022, our net cash from financing activities was RM6.54 million and this was mainly attributed to the drawdown of revolving credit of RM15.20 million for working capital purposes.

The net cash from financing activities was partially offset by the following:

- repayment of term loans of RM3.87 million mainly relating to our Group's investment properties which were disposed of and are in the midst of being disposed as at 30 June 2022;

- RM1.93 million of fixed deposit and RM0.87 million of bank balances pledged with licensed banks as securities for banking facilities granted;

- RM1.22 million used for the repayment of lease liabilities mainly for the hire purchase of motor vehicles and tower cranes; and

- interest payments of RM0.77 million.

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(iii) Borrowings

As at 30 June 2022, our total outstanding borrowings (including lease liabilities owing to financial institutions for the purchase of motor vehicles, machinery and equipment) amounted to RM44.10 million can be analysed further as follows:

	As at 30 June 2022		
Type of borrowings	**Payable within 12 months RM'000**	**Payable after 12 months RM'000**	**Total RM'000**
Term loans	1,462	20,970	22,432
Revolving credit	20,743	-	20,743
Lease liabilities	435	488	923
Total borrowings	**22,640**	**21,458**	**44,098**

Type of borrowings	**Purpose of borrowings**	**Tenure**	**Interest rate per annum (%)**	**As at 30 June 2022 RM'000**
Term loans	Mainly to finance purchase of our properties and working capital purposes	5 years to 25 years	0.89% to 6.49%	22,432
Revolving credit	Mainly to finance working capital as project financing	6 months	4.35% to 4.85%	20,743
Lease liabilities	Mainly to finance purchase of motor vehicles, machinery and equipment	3 years to 7 years	3.95% to 13.96%	923
			Total borrowings	**44,098**
			Gearing ratio (times)[(1)]	**0.77**

Note:

(1) Computed based on total borrowings over total equity as at 30 June 2022.

The maturity profile of our total outstanding borrowings as at 30 June 2022 is set out below:

	RM'000
Within 1 year	22,640
1 to 5 years	6,493
More than 5 years	14,965
Total borrowings	**44,098**

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 either interest and/or principal sum in respect of any borrowings throughout the Financial Years and Period Under Review and up to the LPD. As at the LPD, we are not in breach of any terms and conditions and covenants associated with credit arrangements or bank loans, which can materially affect our financial results, financial position or business operations, or the investments by holders of securities in our Company.

For the Financial Years and Period Under Review, we have not experienced any claw back or reduction in the facilities granted to us by our lenders.

(iv) Treasury policies and objectives

We have been funding our operations through cash generated from our operations, and external sources of funds. The external sources of funds consist primarily of borrowings from financial institutions. The normal credit terms granted by our suppliers are mainly cash term and up to 90 days.

As at the LPD, our Group's borrowings from financial institution consist of the following:

- term loans used to fund the purchase of properties and project financing;
- bank overdraft for working capital and project financing;
- revolving credit for working capital and project financing; and
- lease for purchase of motor vehicles, machinery and equipment.

As at the LPD, our Group has banking facilities amounting to approximately RM118.60 million, where approximately RM84.39 million has yet to be fully utilised.

The interest rates of our borrowings as at the LPD are based on fixed and floating rates.

The main objective of our capital management is to maintain a strong credit rating and healthy capital ratio in order to support our business and maximise shareholders' value. We review and maintain our capital structure to maintain the gearing ratio at an optimal level based on the business requirements and prevailing economic conditions.

(v) Financial instruments for hedging purposes

For FYE 2019, FYE 2020, FYE 2021, FPE 2022 and as at the LPD, our Group does not have any financial instrument for hedging purposes.

However, from an accounting perspective, our financial instruments comprised cash and cash equivalents, borrowings, trade and other receivables as well as trade and other payables, as shown in our Group's statements of financial position. We use these financial instruments in the ordinary course of our business.

(vi) Financial guarantee contracts

Our financial guarantee as at LPD stood at RM10.00 million, the details of which are as set out below. The financial guarantee is secured, non-interest bearing and denominated in RM.

Type of facility	Purpose	Tenure	Interest rate per annum	Total RM'000
Bank Guarantee	Advance payment bond[(1)] for the Beluran Police Camp Project	On-demand	N/A	10,000

Note:

(1) The advance payment bond is a form of security provided by our Group for the deposit received as advance payment for the Beluran Police Camp Project. For information purposes, whilst our Group had not previously provided bank guarantees of such nature, nonetheless the said bank guarantee was provided in accordance with the terms of the Beluran Police Camp Project.

(vii) Contingent liabilities

As at the LPD, there is no indirect and/or material contingent liabilities incurred by our Group, which may have a substantial impact on the financial position of our Group.

(viii) Material litigation, claims or arbitration

As at the LPD, we are not involved in any legal action, proceeding, prosecution or arbitration, either as plaintiff or defendant, which may have a material adverse effect on the business or our financial position, and our Directors are not aware of any legal proceeding, pending or threatened, or of any fact to give rise to any legal proceeding which may have a material adverse effect on our business or financial position.

(ix) Capital expenditure and divestitures

Capital expenditure

Our Group's capital expenditure for FYE 2019, FYE 2020, FYE 2021, FPE 2022 and as at LPD, are as follows:

		Audited				Unaudited
	Method of financing	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 July 2022 up to LPD RM'000
Properties under construction	Term loan	12,100	-	7,651	1,726	-
Machinery and equipment	Cash	11	26	804	163	55
Office equipment, furniture and fittings	Cash	8	19	130	15	60
Others[(1)]	Cash	-	-	114	166	10
Total		**12,119**	**45**	**8,699**	**2,070**	**125**

Note:

(1) Refers to renovation and motor vehicles.

FYE 2019

For FYE 2019, our Group's capital expenditure of RM12.12 million was mainly contributed by RM12.10 million for the purchase of 8 shop units at the Glenz Mixed Commercial Development Project from our customer where the properties were under construction then. The purchase of these shop units was intended to support our customer's business as well as after taking into consideration the commercial value of these properties. For the avoidance of doubt, the acquisition of these properties was not by way of any contra arrangement. The remaining RM0.02 million was utilised for the purchase of portable cabins which were used at our construction sites as well as office equipment namely air conditioners.

FYE 2020

For FYE 2020, our Group's capital expenditure of RM0.05 million was mainly for the purchase of a measurement equipment for use at construction site as well as office equipment comprising mainly computers and softwares.

FYE 2021

For FYE 2021, our Group's capital expenditure of RM8.70 million was mainly contributed by RM7.65 million for the purchase of 10 units of office suites at the Glenz Mixed Commercial Development Project from our customer to be used as our new head office. The remaining RM1.05 million was mainly utilised for the purchase of portable cabins for the use at our construction sites.

FPE 2022

For FPE 2022, our Group's capital expenditure of RM2.07 million was mainly contributed by RM1.73 million for the purchase of 2 units of office suites at the Glenz Mixed Commercial Development Project from our customer to be used as our new head office. The remaining RM0.34 million was mainly utilised for the purchase of motor vehicles and machinery and equipment such as bar cutters, bar benders and concrete mixer as well as portable cabins at our construction sites.

1 July 2022 and up to LPD

Between 1 July 2022 and up to the LPD, our Group's capital expenditure of RM0.13 million was mainly contributed by RM0.06 million for the purchase of furniture and fittings for our new head office and RM0.06 million for the purchase of machinery and equipment such as a measurement equipment, demolition hammers and rotary hammers for use at construction site.

Capital divestitures

Our Group's capital divestitures for FYE 2019, FYE 2020, FYE 2021, FPE 2022 and as at LPD, are as follows:

	Audited				Unaudited
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 July 2022 up to LPD RM'000
Land	2,333	-	-	789	-
Building	-	-	1,703	1,648	2,592
Associate company	-	640	500	-	-
Motor vehicles	429	24	-	-	-
Others(1)	-	-	-	120	40
Total	**2,762**	**664**	**2,203**	**2,557**	**2,632**

Note:

(1) Refers mainly to the disposal of machinery and equipment for FPE 2022 and renovation cost for a building which was disposed between 1 July 2022 and up to the LPD.

For the FYE 2019, our capital divestitures of RM2.76 million was mainly contributed by the following:

- disposal of a piece of leasehold land located in Puchong amounting to RM2.33 million; and

- disposal of motor vehicles amounting to RM0.43 million.

For the FYE 2020, our capital divestitures of RM0.66 million was mainly contributed by the disposal of our 20% equity interest in an associate company namely Grand Golden Development Sdn Bhd which had a net carrying amount of RM0.64 million.

For FYE 2021, our capital divestitures of RM2.20 million comprised the disposal of one unit of condominium in Kuala Lumpur amounting to RM1.70 million as well as the disposal of our 50% equity interest in an associate company namely Le Garden Development Sdn Bhd which had a net carrying amount of RM0.50 million.

For FPE 2022, our capital divestitures of RM2.56 million mainly comprised the disposal of a 3-storey semi-detached residential house on a leasehold land in Selangor amounting to RM1.50 million, a leasehold land with a double storey terrace house in Selangor amounting to RM0.33 million and a serviced apartment from the Genting Midhill Project amounting to RM0.61 million.

From 1 July 2022 and up to the LPD, our capital divestitures were RM2.63 million mainly comprising the disposal of 3 units of condominiums in Kuala Lumpur amounting to RM1.63 million and 2 units of serviced apartments from the Genting Midhill Project amounting to RM0.96 million.

For information purposes, prior to our Group's disposal of the equity interest in Grand Golden Development Sdn Bhd and Le Garden Development Sdn Bhd (which in turn held 100% equity interest in Pujaan Harmoni Sdn Bhd, a property developer), both of these companies were involved in the property development business. We had disposed our equity interest in these companies in order to streamline our efforts to our construction business and considering we had only held an associate stake in these companies.

(x) Material capital commitment

As at the LPD, we do not have any material capital commitment that may have a material adverse impact on our financial position.

(xi) Key financial ratios

The key financial ratios are as follows:

	As at 31 December			As at
	2019 RM'000	2020 RM'000	2021 RM'000	30 June 2022 RM'000
Trade receivables turnover period (days)(1)	83	119	107	85
Trade payables turnover period (days)(2)	107	112	99	89
Current ratio (times)(3)	1.08	1.46	1.26	1.28
Gearing ratio (times)(4)	0.54	0.95	0.61	0.77

Notes:

(1) Computed based on net average trade receivables (excluding retention sums) over total revenue and multiplied by 365 days/181 days. Average trade receivables is calculated by adding the closing balance of net trade receivables of the financial year/period with that of the previous financial year, and dividing the total by 2.

(2) Computed based on net average trade payables (excluding retention sums) over total cost of sales and multiplied by 365 days/181 days. Average trade payables is calculated by adding the closing balance of net trade payables of the financial year/period with that of the previous financial year, and dividing the total by 2.

(3) Computed based on the current assets over the current liabilities as at the respective financial year/period.

(4) Computed based on the total borrowings (including lease liabilities owing to financial institutions) over the total equity as at the respective financial year/period.

(a) Trade receivables

	As at 31 December			As at
	2019 RM'000	2020 RM'000	2021 RM'000	30 June 2022 RM'000
Trade receivables	40,357	57,590	79,252	102,169
Less: Retention sums	(19,339)	(15,081)	(21,632)	(28,781)
Net trade receivables	21,018	42,509	57,620	73,388
Average net trade receivables	22,341	31,764	50,065	65,504
Revenue	98,707	97,124	171,081	139,914
Trade receivable turnover period (days)	83	119	107	85

Generally, we deal with our customers mainly on credit terms. The credit terms that we generally grant to our customers are mainly 90 days. Other credit terms are assessed and approved on a case-by-case basis upon considering the background and creditworthiness of the customer, the scope of the project, as well as the macroeconomic factors including the default risk associated with the industry.

Although the credit period as per contractual terms is 90 days, there is still a gap between contractual terms and actual collections as indicated in the trade receivable turnover days. This is mainly due to our customers' internal payment process involving verification of our progress billings before payment is processed. Notwithstanding the above, we have retained the 90 days credit period in our contracts to be consistent with our normal practice as customers may take even longer to pay if longer credit periods were granted.

Our trade receivables turnover period was computed excluding retention sums in relation to our construction services. Depending on terms of the construction contract, our customers will retain the entire retention sum throughout the contract period until the issuance of CPC, upon which 50% of the retention sum will be released. The remaining balance will be released to us at the end of the contracted defect liability period or upon the issuance of the CMGD. As such, the exclusion of the retention sums in the computation of trade receivables turnover period presents a more realistic measure of the average number of days that requires for the collection of debts that are due.

Our average trade receivables turnover period increased from 83 days for FYE 2019 to 119 days for FYE 2020. This was mainly due to the increase in receivables arising from the increase in certified progress billings issued to customers during the last quarter of FYE 2020 mainly for the Glenz Mixed Commercial Development Project, Residensi Armani Petaling (Cheras) Project, TUDM Army Camp Package 3 Project and PPA1M Houses Project.

Our average trade receivables turnover period improved from 119 days for FYE 2020 to 107 days for FYE 2021. This was mainly attributed to higher collections from customers mainly for the Residensi Armani Petaling (Cheras) Project, Glenz Mixed Commercial Development Project and TUDM Army Camp Package 3 Project.

Our average trade receivables turnover period improved from 107 days for FYE 2021 to 85 days for FPE 2022 which falls within the credit terms of 90 days granted to customers. This was mainly due to timely collections from customers.

The ageing analysis of our trade receivables as at 30 June 2022 and the subsequent collections up to the LPD are set out below:

	Within credit period	Exceed credit period (past due days)				Total
		1 – 30	31 - 60	61 - 90	Over 90	
Net trade receivables as at 30 June 2022 (RM'000)	66,941	1,090	568	2,307	2,482	73,388
Proportion of total trade receivables (%)	91.22	1.49	0.77	3.14	3.38	100.00
Subsequent collections as at LPD (RM'000)	49,296	670	473	2,298	1,640	54,377
Net trade receivables after subsequent collections (RM'000)	17,645	420	95	9	842	19,011
Proportion of trade receivables after subsequent collections (%)	92.81	2.21	0.50	0.05	4.43	100.00

As at the LPD, RM54.38 million or 74.10% of the total trade receivables as at 30 June 2022 has been subsequently collected. Of the remaining outstanding amount, 92.81% (RM17.65 million) falls within the credit period, while the remaining 7.19% has exceeded credit period.

Appropriate debt recovery process has been carried out by the project management and finance team to minimise the likelihood of these outstanding trade receivables turning into bad debts. Our Directors are of the view that the remaining trade receivables are recoverable and no provision for impairment is required after taking into consideration our relationship with these customers, their payment history and their credentials.

(b) Trade payables

	As at 31 December			As at
	2019 RM'000	2020 RM'000	2021 RM'000	30 June 2022 RM'000
Trade payables	36,593	37,521	68,272	77,715
Less: Retention sums	(11,315)	(11,951)	(13,880)	(14,272)
Net trade payables	25,278	25,570	54,392	63,443
Average net trade payables	25,202	25,424	39,981	58,918
Cost of sales	86,198	82,795	147,556	119,878
Trade payable turnover period (days)	107	112	99	89

The normal payment period granted to us by our creditors are mainly cash term and up to 90 days save for FYE 2021 whereby one of our creditors has granted us a credit term of 180 days.

Retention sum is excluded in arriving at our trade payables turnover period. In general, we will release half of the retention sum to our subcontractors upon the issuance of the CPC, whilst the remaining half will be released at the end of the DLP or upon the issuance of the CMGD.

Our trade payables turnover period for the FYE 2019, FYE 2020 and FYE 2021 were 107 days, 112 days and 99 days respectively, which exceeded the credit period granted to us by our suppliers.

The trade payable turnover days for FYE 2019, FYE 2020 and FYE 2021 were beyond the normal credit terms granted by our creditors as a result of our working capital management taking into account, among others, collections from our customers. Whilst the longer trade payable credit period benefits our Group from a capital management position, nonetheless as noted from our trade payables turnover above, we had managed to improve our turnover days in FYE 2021 as compared to FYE 2020 and FYE 2019.

The increase in trade payables turnover period from 107 days for FYE 2019 to 112 days for FYE 2020 was mainly due to payables of RM13.18 million or 51.54% that exceeded the credit period as a result of our working capital management to conserve our cash flows as a result of the COVID-19 pandemic. These past due outstanding payables were mainly payables to our suppliers and subcontractors.

Our trade payables turnover period improved from 112 days for FYE 2020 to 99 days for FYE 2021 mainly attributed to improvement in payments from our customers in 2021 which resulted in improvements in prompt payments to our creditors.

Our average trade payables turnover period decreased from 99 days for FYE 2021 to 89 days for FPE 2022 which falls within the credit term of 90 days granted by creditors. This was mainly due to timely payments to suppliers and subcontractors.

The ageing analysis of our trade payables as at 30 June 2022 and the subsequent payments up to the LPD are set out as below:

	Within credit period	Exceed credit period (past due days)				Total
		1 - 30	31 - 60	61 - 90	Over 90	
Net trade payables as at 30 June 2022 (RM'000)	45,169	9,697	3,161	4,452	964	63,443
Proportion of total trade payables (%)	71.20	15.28	4.98	7.02	1.52	100.00
Subsequent payment as at LPD (RM'000)	42,121	9,697	3,161	4,401	559	59,939
Net trade payables after subsequent payment as at LPD (RM'000)	3,048	-	-	51	405	3,504
Proportion of trade payables after subsequent payment as at LPD (%)	86.99	-	-	1.45	11.56	100.00

As at the LPD, RM59.94 million or 94.48% of the total trade payables as at 30 June 2022 has been subsequently paid. Of the remaining outstanding amount, 86.99% (RM3.05 million) falls within the credit period, while the remaining 13.01% has exceeded credit period.

There was no matter in dispute with respect to our trade payables, as well as no legal action has been initiated by any of our suppliers and/or subcontractors to demand for payment for the Financial Years and Period Under Review.

(c) Current ratio

	As at 31 December			As at 30 June 2022
	2019 RM'000	2020 RM'000	2021 RM'000	RM'000
Current assets	82,911	98,303	128,956	167,861
Current liabilities	76,558	67,102	102,001	130,695
Current ratio (times)	1.08	1.46	1.26	1.28

As at 31 December 2020 our current ratio was 1.46 times, an increase from 1.08 times as at 31 December 2019. The increase was mainly attributable to the following:-

- Higher trade receivables of RM57.59 million as at 31 December 2020 (31 December 2019: RM40.36 million), which was attributed to the increase in certified progress billings issued to customers in the last quarter of FYE 2020 mainly for the Glenz Mixed Commercial Development Project, Residensi Armani Petaling (Cheras) Project and PPA1M Houses Project.

- Higher other receivables of RM20.66 million as at 31 December 2020 (31 December 2019: RM17.46 million) mainly due to the increase in placement of deposits, being performance bonds provided by Vestland for the Residensi Armani Petaling (Cheras) Project and an increase in amount due from companies in which certain Directors have interest in and from associate companies.

- Lower other payables of RM7.57 million as at 31 December 2020 (31 December 2019: RM20.63 million), mainly associated with the settlement of RM12.10 million, being the outstanding amount for the purchase of 8 shop units at the Glenz Mixed Commercial Development Project by way of term loan drawdowns.

- Lower contract liabilities of RM3.48 million as at 31 December 2020 (31 December 2019: RM9.31 million) mainly due to the adjustments to the contract value for TUDM Army Camp Package 3 Project.

The aforementioned increase was offset by the following:-

- Lower contract assets of RM6.01 million as at 31 December 2020 (31 December 2019: RM12.61 million), mainly associated with the increase in progress billings issued for Three33 Residence Project and Glenz Mixed Commercial Development Project.

- Higher loans and borrowings of RM33.88 million as at 31 December 2020 (31 December 2019: RM15.43 million), mainly due to increase in bank overdraft for the Glenz Mixed Commercial Development Project and term loans mainly for the purchase of 8 shop units at the Glenz Mixed Commercial Development Project.

- Higher tax payable arising from our Group's operations in FYE 2020.

As at 31 December 2021, our current ratio was 1.26 times, a marginal decrease from 1.46 times as at 31 December 2020. The decrease was mainly attributable to the higher trade and other payables of RM88.96 million as at 31 December 2021 (31 December 2020: RM45.09 million), mainly due to increase in billings from our subcontractors and suppliers arising from the increase in construction activities undertaken in FYE 2021 such as Glenz Mixed Commercial Development Project, Armani Subang SOHO Project and Residensi Armani Petaling (Cheras) Project as well as the commencement of the Residensi Armani Bukit Lanjan Project and Beluran Police Camp Project. Additionally, the higher trade and other payables was also contributed by the deposit received as advance payment for the Beluran Police Camp Project and amount due to developer for the acquisition of our new head office at the Glenz Mixed Commercial Development Project. In addition, the marginal decrease in the current ratio was also caused by the decrease in cash and cash equivalents by RM10.16 million.

The aforementioned decrease was partially offset by the following:-

- Higher trade and other receivables of RM107.98 million as at 31 December 2021 (31 December 2020: RM78.25 million), mainly due to the increase in certified progress billings issued to customers for the on-going construction projects as well as the increase in deposits, being performance guarantees provided by Vestland to its customers.

- Higher contract assets of RM17.08 million as at 31 December 2021 (31 December 2020: RM6.01 million), mainly due to the increase in unbilled progress billings for the work done for the Glenz Mixed Commercial Development Project, CPL Aromas Pulau Indah Project, KKB Academic Building and Student Accommodation Project, Residensi Armani Petaling (Cheras) Project, PPA1M Houses Project and Residensi Armani Bukit Lanjan Project.

Our current ratio increased slightly from 1.26 times as at 31 December 2021 to 1.28 times as at 30 June 2022. Notwithstanding the aforementioned, there was an increase of RM38.91 million in current assets which was mainly attributed to higher trade receivables of RM102.17 million as at 30 June 2022 (31 December 2021: RM79.25 million). The higher trade receivables were mainly attributed to the increase in certified progress billings issued to customers in the second quarter of FPE 2022 mainly for the design and build projects including Beluran Police Camp Project and Residensi Armani Bukit Lanjan Project, as well as the Permas City Project. The increase in current assets was also due to the increase in cash and cash equivalents by RM20.78 million.

The effects of the increase in current assets on the current ratio was partially offset by the increase of RM28.69 million in current liabilities primarily arising from the drawdown of revolving credit of RM15.20 million for our Group's working capital purposes and an increase in contract liabilities of RM10.24 million mainly contributed by the Beluran Police Camp Project, D'vine Residences Project and Permas City Project.

(d) Gearing ratio

	As at 31 December			As at
	2019 RM'000	2020 RM'000	2021 RM'000	30 June 2022 RM'000
Total borrowings	15,426	33,878	28,247	44,098
Total equity	28,805	35,814	46,450	57,115
Gearing ratio (times)	0.54	0.95	0.61	0.77

Our gearing ratio increased from 0.54 times as at 31 December 2019 to 0.95 times as at 31 December 2020 despite an increase in retained earnings of RM7.01 million or 25.91% to RM34.06 million as at 31 December 2020 mainly due to an increase in borrowings by RM18.45 million or 119.62% to RM33.88 million as at 31 December 2020 (31 December 2019: RM15.43 million). The increase in borrowings was attributed to the higher utilisation of bank overdrafts for our project financing and term loans mainly for the purchase of 8 shop units at the Glenz Mixed Commercial Development Project.

Our gearing ratio decreased from 0.95 times as at 31 December 2020 to 0.61 times as at 31 December 2021 mainly due to higher retained earnings of RM44.70 million as at 31 December 2021 compared to RM34.06 million as at 31 December 2020. Our borrowings also decreased by RM5.63 million or 16.62% to RM28.25 million as at 31 December 2021. This was mainly due to lower utilisation of bank overdrafts as the Glenz Mixed Commercial Development Project was nearing completion.

Our gearing ratio increased from 0.61 times as at 31 December 2021 to 0.77 times as at 30 June 2022 despite an increase in retained earnings of RM10.67 million or 23.86% to RM55.37 million as at 30 June 2022. This was mainly due to an increase in the borrowings by RM15.85 million to RM44.10 million as at 30 June 2022. The higher borrowings were mainly due to the higher utilisation of revolving credits for our Group's working capital purposes.

12.5 ACCOUNTING POLICIES AND AUDIT QUALIFICATION

There was no accounting policy adopted which is peculiar to our Group because of the nature of our business or the industry we operate in during the Financial Years and Period Under Review. The Accountants' Report did not contain any audit qualification for the Financial Years and Period Under Review.

12.6 TREND ANALYSIS

As at the 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 financial performance, position, operations, liquidity and capital resources, save as disclosed in this section and Sections 7.12, 9, 12.2 and 12.3 of this Prospectus;

(ii) material commitment for capital expenditure;

(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 disclosed in this section and Sections 7.12, 9, 12.2 and 12.3 of this Prospectus;

(iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our revenue and/or profits, save as disclosed in this section and Sections 7.12, 9, 12.2 and 12.3 of this Prospectus; and

(v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position, save as disclosed in this section and Sections 7.12, 9, 12.2 and 12.3 of this Prospectus.

Our Board is optimistic about the future prospects of our Group after taking into account the outlook of the construction industry in Malaysia where according to Bank Negara Malaysia, the real gross domestic product of the construction industry is estimated to grow by 2.3% in 2022, despite the value of construction work completed between 2017 (RM138.45 million) and 2021 (RM111.98 million) experiencing a decline at an average annual rate of 5.2% as set out in Section 8 of this Prospectus, our financial performance during the Financial Years and Period Under Review, our competitive strengths as set out in Section 7.3 of this Prospectus and our strategies and plans as set out in Section 7.18 of this Prospectus which includes, inter-alia, growing our business by capitalising on our design and build capabilities, taking into consideration the advantages of the design and build segment (as highlighted under Section 7.2.2.1) and overall higher GP margins recognised by our Group for FYE 2020, FYE 2021 and FPE 2022.

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12.7 ORDER BOOK

Project Name	Customer	Approximate Percentage of Completion as at the LPD (%)	Expected Completion Date[1]	Total Contract Value (RM million)	Outstanding Order Book as at LPD (RM million)
Design and Build Segment					
Residential					
Residensi Armani Petaling (Cheras) Project	Mercu Majuniaga Sdn Bhd[4]	98.31	December 2022	58.00	0.98
Residensi Armani Bukit Lanjan Project	Mercu Majuniaga Sdn Bhd[4]	98.34	March 2023	35.50	0.59
Selangor Cyber Valley (Phase 1) Project	Splendid Forte Development Sdn Bhd	-	December 2026	234.86	234.86
Non-residential					
Beluran Police Camp Project	Hawa Teknik Sdn Bhd	27.50	February 2025	332.82	241.30
Raja Uda Project	Mercu Majuniaga Sdn Bhd[4]	0.03	May 2025	80.00	79.98
Armani Subang SOHO Project	Mercu Majuniaga Sdn Bhd[4]	96.56	March 2023	43.00	1.48
Tanah Rata Cameron Project	Mercu Majuniaga Sdn Bhd[4]	4.15	January 2025	40.00	38.34
KKIP Warehouse Project	Armani KPF2 Development Sdn Bhd[4]	5.75	March 2024	59.50	56.08

Project Name	Customer	Approximate Percentage of Completion as at the LPD (%)	Expected Completion Date[1]	Total Contract Value (RM million)	Outstanding Order Book as at LPD (RM million)
Build Segment					
Non-residential					
D'vine Residences Project	Binastra Construction (M) Sdn Bhd	9.47	December 2024	216.62	196.10
KKB Academic Building and Student Accommodation Project	Kelola Handal Sdn Bhd	33.37	May 2024	28.38	18.91
Permas City Project[2]	Tafi Industries Berhad[4]	78.89	January 2023[5]	21.50	4.54
Civil Engineering Works Segment					
Plot 10	Binastra Construction (M) Sdn Bhd	2.27	September 2024[5]	56.00	54.73
Habu Cameron Infrastructure Project[2]	Tafi Industries Berhad[4]	1.86	March 2024	14.50	14.23
Plot 9D	Binastra Construction (M) Sdn Bhd	0.19	July 2023[3]	5.31	5.31
TOTAL				**1,225.99**	**947.43**

Notes:

(1) Expected completion date is based on the letters of award of the respective projects or revised completion date based on the EOT granted by our customers as at the LPD.

(2) The Permas City Project and the Habu Cameron Infrastructure Project were awarded by Tafi Home & Office Sdn Bhd and Tafi Development Sdn Bhd respectively, both of which are wholly-owned subsidiaries of Tafi Industries Berhad.

(3) Based on the terms of the letter of award dated 5 January 2022, the commencement of site works for Plot 9D is subject to the Site Possession. The expected completion date shall be 9 months commencing from Site Possession. We have obtained the Site Possession in October 2022 and the expected completion date is July 2023.

(4) Sg. Besi Construction Sdn Bhd, Mercu Majuniaga Sdn Bhd, Tafi Industries Berhad and Armani KPF2 Development Sdn Bhd have a common shareholder. For information purposes, the aggregate revenue contribution from Sg. Besi Construction Sdn Bhd, Mercu Majuniaga Sdn Bhd, Tafi Industries Berhad and Armani KPF2 Development Sdn Bhd collectively accounted for 22.85% (RM22.56 million), 64.72% (RM62.86 million), 72.82% (RM124.57 million) and 59.96% (RM83.88 million) of our total revenue for FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively. Notwithstanding the significant aggregate revenue contribution from Sg. Besi Construction Sdn Bhd, Mercu Majuniaga Sdn Bhd, Tafi Industries Berhad and Armani KPF2 Development Sdn Bhd, our Group is not dependent on them as our customers as the projects awarded by Sg. Besi Construction Sdn Bhd, Mercu Majuniaga Sdn Bhd, Tafi Industries Berhad and Armani KPF2 Development Sdn Bhd represent approximately 20.71% of the Group's outstanding order book as at the LPD and the Glenz Mixed Commercial Development Project and CPL Aromas Pulau Indah which is awarded by Sg. Besi Construction has been completed in March 2022 and August 2022 respectively.

(5) Being the revised expected completion date based on the EOT granted by our customer as at the LPD.

The above outstanding order book relates to the contract value of projects which are on-going less revenue recognised up to the LPD. This outstanding order book is expected to be recognised progressively over the next 4 financial years as follows:

Financial year/period	Outstanding Order Book (RM million)
Subsequent to the LPD up to 31 December 2022	46.94
FYE 2023	396.74
FYE 2024	366.49
FYE 2025	122.20
FYE 2026	15.06
Total	**947.43**

There may be variations from the amount awarded as compared to the final works to be performed resulting from, amongst others, changes in project requirements, which may take place during the implementation of the project.

Although our current outstanding order book will be gradually recognised in the next few financial years, our Group continues to participate in tenders to secure new contracts. As at LPD, we have participated in tenders and/or submitted proposals for various building construction projects. These projects, if awarded, will increase our order book.

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12.8 DIVIDEND POLICY

It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. However, our ability to pay dividends or make other distributions to our shareholders in the future years is subject to various factors such as having profits and excess funds, which are not required to be retained to fund our business.

Our Board will consider the following factors (which may not be exhaustive) when recommending dividends for approval by our shareholders or when declaring any interim dividends:

(i) the level of cash and level of indebtedness;

(ii) required and expected interest expense, cash flows, profits, return on equity and retained earnings;

(iii) our expected results of operations and future level of operations;

(iv) our projected levels of capital expenditure and other investment plans; and

(v) prior written consent from financial institutions, where required, for financial covenants in which Vestland Resources is subject to, in relation to the ability of our subsidiary to transfer funds in the form of cash dividend, loans or advances to us.

Our Group presently does not have any formal dividend policy.

The payment and amount of any dividends or distributions to our shareholders will be at the discretion of our Board and will depend on factors stated above (which may not be exhaustive). There is no assurance as to whether the dividend distribution will occur as intended, the amount of dividend payment or timing of such payment.

Subject to the CA 2016, our Company, in general meeting, may from time to time approve a dividend or other distribution. However, no dividend or distribution shall be declared in excess of the amount recommended by our Board. Further, under the CA 2016, our Company may not declare or pay dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:

(i) our Company is, or would after the payment be unable to pay its liabilities as they become due; or

(ii) the realisable value of the Company's assets would thereby be less than its liabilities.

During the Financial Years and Period Under Review and up to the LPD, we have declared and paid for the following dividend:

	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 July 2022 and up to the LPD RM'000
Dividend declared and paid	2,250	-	-	-	-
PAT	7,165	7,009	10,635	10,665	-
Dividend payout ratio[(1)] (%)	31.40%	-	-	-	-

Note:

(1) Computed based on dividend declared divided by PAT.

Please refer to Note 25 of the Accountants' Report set out in Section 14 of this Prospectus for further details.

The dividends declared in FYE 2019 were paid from the funds within our Group in excess of our Group's funding requirements for our business operations. The declaration and payment of such dividends would not affect the execution and implementation of the Group's strategies and plans as set out in Section 7.18 of this Prospectus.

There is no dividend declared or paid subsequent to 30 June 2022 and prior to our Listing.

Kindly refer to Section 9.3.4 of this Prospectus for risks relating to payment of dividends.

No inference should or can be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

12.9 SIGNIFICANT CHANGES

There are no significant changes that have occurred which may have material effect on the financial position and results of our Group subsequent to 30 June 2022 and up to the LPD.

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12.10 CAPITALISATION AND INDEBTEDNESS

The following table sets out the capitalisation and indebtedness:

(i) as at 31 October 2022, before our Public Issue and utilisation of proceeds; and

(ii) after adjusting for the effects of the proceeds arising from our Public Issue and utilisation of proceeds.

	Unaudited As at 31 October 2022	After Public Issue and utilisation of proceeds
	RM'000	RM'000
Indebtedness:		
Current		
Secured and guaranteed		
Term loans	1,527	1,285 (2)
Revolving credit	22,391	22,391
Lease liabilities	287	287
Non-current		
Secured and guaranteed		
Term loans	21,459	14,770 (2)
Lease liabilities	635	635
Total indebtedness	**46,299**	**39,368**
Capitalisation:		
Shareholders' equity	72,467	125,096
Total capitalisation	**72,467**	**125,096**
Total capitalisation and indebtedness	**118,766**	**164,464**
Gearing ratio (times) (1)	0.64	0.31

Notes:

(1) Computed based on the total indebtedness divided by shareholders' equity.

(2) This amount was derived upon taking into consideration the utilisation of proceeds for the repayment of bank borrowings utilised for the acquisition of the New Head Office.

As at the LPD, there is no indirect and/or material contingent liabilities incurred by our Group which may have a substantial impact on the financial position of our Group.

VESTLAND BERHAD
(Registration No: 202101037563 (1437863-M))
(Incorporated in Malaysia)

PRO FORMA STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022

GRANT THORNTON MALAYSIA PLT

CHARTERED ACCOUNTANTS

Member Firm of Grant Thornton International Ltd.

GrantThornton

REPORTING ACCOUNTANTS' ASSURANCE REPORT ON COMPILATION OF PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022
(Prepared for inclusion in the Prospectus)

Grant Thornton Malaysia PLT
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
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T +603 2692 4022
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Date: 30 November 2022

The Board of Directors
Vestland Berhad
D-08-03 Menara Mitraland
No.13A, Jalan PJU5/1
Kota Damansara PJU 5
47810 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

VESTLAND BERHAD ("COMPANY" OR "VESTLAND")
REPORT ON THE COMPILATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

We have completed our assurance engagement to report on the compilation of the Pro Forma Statements of Financial Position of the Company and its subsidiary ("Group" or "Vestland Group") as at 30 June 2022 together with the notes and assumptions thereto (which we have stamped for the purpose of identification), have been compiled and prepared by the Directors of the Company for inclusion in the prospectus of the Company ("Prospectus") in connection with the initial public offering ("IPO") and the listing and quotation of the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing").

The Pro Forma Statements of Financial Position as at 30 June 2022 have been compiled by the Directors of Vestland Group based on the requirements of Chapter 9 of the Prospectus Guidelines-Equity issued by Securities Commission Malaysia ("Prospectus Guidelines"), the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants and described in the notes as set out in Basis of Preparation of Pro Forma Statements of Financial Position ("Applicable Criteria").

The Pro Forma Statements of Financial Position as at 30 June 2022 have been compiled by the Directors of the Company, for illustrative purposes only, to illustrate the impact of the IPO on the Statements of Financial Position had the IPO been effected on 30 June 2022. As part of this process, information about the Group's Statements of Financial Position has been extracted by the Directors of the Company from the Group's audited statements of financial position as at 30 June 2022, on which was reported by us to the members of Vestland Group on 30 November 2022 without any modification.

Directors' Responsibility for the Pro Forma Statements of Financial Position

The Directors of the Company are responsible for compiling the Pro Forma Statements of Financial Position on the basis set out in Applicable Criteria.

Chartered Accountants
Grant Thornton Malaysia PLT [201906003682 [LLP0022494-LCA] & AF 0737] is a Limited Liability Partnership and is a member firm of Grant Thornton International Ltd (GTIL), a private company limited by guarantee, incorporated in England and Wales.

Grant Thornton Malaysia PLT was registered on 1 January 2020 and with effect from that date, Grant Thornton Malaysia (AF 0737), a conventional partnership was converted to a Limited Liability Partnership.

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Our Independence and Quality Control

We are independent 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"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our 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 about whether the Pro Forma Statements of Financial Position have been properly compiled, in all material respect, by the Directors on the basis of the Applicable Criteria.

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 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 have compiled, in all material respects, the Pro Forma Statements of Financial Position on the basis of the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any 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.

The purpose of the Pro Forma Statements of Financial Position included in the Prospectus is solely to illustrate the impact as if the events had occurred or the transactions 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 event or transaction at that date 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 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 events or transactions enumerated in the notes thereto, 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 reflects the proper application of those adjustments to the unadjusted financial information.

GrantThornton

Reporting Accountants' Responsibilities (cont'd)

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 have 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 have been compiled, in all material respects, on the basis of the Applicable Criteria.

Other Matter

This letter has been prepared at your request for inclusion in the Prospectus in connection with the IPO and the Listing. It is not intended to be used for any other purposes. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

LUI LEE PING
(NO: 03334/11/2023(J))
CHARTERED ACCOUNTANT

Kuala Lumpur

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

The Pro Forma Statements of Financial Position of Vestland Berhad as at 30 June 2022 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 on the assumption that these transactions were completed on 30 June 2022, and should be read in conjunction with the accompanying notes to the Pro Forma Statements of Financial Position.

	Note	Statement of Financial Position as at 30 June 2022	Pro Forma I After After Proposed Listing Scheme	Pro Forma II After Utilisation of Proceeds
		RM	RM	RM
ASSETS				
Non-current assets				
Property, plant and equipment	3.01	11,218,259	11,218,259	11,218,259
Right-of-use assets	3.02	1,169,675	1,169,675	1,169,675
Investment properties	3.03	12,100,000	12,100,000	12,100,000
Cash and cash equivalents	3.04	13,645,858	13,645,858	13,645,858
Deferred tax assets	3.05	11,000	11,000	11,000
Total non-current assets		38,144,792	38,144,792	38,144,792
Current assets				
Trade receivables	3.06	102,168,905	102,168,905	102,168,905
Other receivables	3.07	22,254,726	22,254,726	27,229,726
Contract assets	3.08	18,767,690	18,767,690	18,767,690
Cash and cash equivalents	3.04	24,669,734	80,769,734	64,821,434
Total current assets		167,861,055	223,961,055	212,987,755
Assets classified as held-for-sale	3.09	3,262,018	3,262,018	3,262,018
Total assets		209,267,865	265,367,865	254,394,565
EQUITY AND LIABILITIES				
Equity				
Equity attributable to owners of the Company:-				
Share capital	3.10	46,458,616	102,558,616	100,518,616
Merger deficit	3.11	(44,708,516)	(44,708,516)	(44,708,516)
Retained earnings	3.12	55,364,872	55,364,872	53,933,572
Total equity		57,114,972	113,214,972	109,743,672
Liabilities				
Non-current liabilities				
Borrowings	3.13	20,970,161	20,970,161	15,437,492
Lease liabilities	3.14	487,811	487,811	487,811
Total non-current liabilities		21,457,972	21,457,972	15,925,303
Current liabilities				
Trade payables	3.15	77,714,829	77,714,829	77,714,829
Other payables	3.16	12,697,452	12,697,452	10,907,442
Contract liabilities	3.17	13,062,457	13,062,457	13,062,457
Borrowings	3.13	22,205,080	22,205,080	22,025,759
Lease liabilities	3.14	435,155	435,155	435,155
Tax payable	3.18	4,579,948	4,579,948	4,579,948
Total current liabilities		130,694,921	130,694,921	128,725,590
Total liabilities		152,152,893	152,152,893	144,650,893
Total equity and liabilities		209,267,865	265,367,865	254,394,565
Issued ordinary share capital (Unit)	3.10	774,308,700	944,308,700	944,308,700
Net assets per share (sen)		7.38	11.99	11.62
Borrowings (included lease liabilities)		44,098,207	44,098,207	38,386,217
Gearing ratio (times)		0.77	0.39	0.35

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30 NOV 2022
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VESTLAND BERHAD

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

1. BASIS OF PREPARATION

The Pro Forma Statements of Financial Position of the Group has been prepared for illustrative purposes only.

The Applicable Criteria on the basis of which the Directors of the Company have compiled the Pro Forma Statements of Financial Position are as described below. The Pro Forma Statements of Financial Position is prepared in accordance with the requirements of Chapter 9 of the Prospectus Guidelines issued by the Securities Commission Malaysia and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Statements of Financial Position of the Group has been prepared on the basis consistent with the accounting policies adopted by the Group for the financial period ended 30 June 2022, in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Prospectus Guidelines.

The audited financial statements of the Group as at 30 June 2022 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 as at 30 June 2022 are adjusted for the impact of the Listing Scheme as set out in Note 2.

2. LISTING SCHEME

2.1 Pro Forma I: Proposed Listing Scheme

(a) **Public Issue**

Public issue of 170,000,000 new Vestland ordinary shares ("Issued Shares") at the IPO price of RM0.33 per share, representing approximately 18.00% of the Company's enlarged total number of shares.

(b) **Offer for Sale**

Offer for sale of 70,800,000 existing ordinary shares in Vestland ("Offer Shares"), representing approximately 7.50% of the Company's enlarged total number of shares at an IPO price of RM0.33 per share.

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VESTLAND BERHAD

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

2. **LISTING SCHEME (CONT'D)**

2.2 **Pro Forma II: Proposed Utilisation of Proceeds from the Listing**

The proceeds of approximately RM56,100,000 to be raised from the public issue is expected to be utilised in the following manner:-

Details of utilisation	Estimated timeframe for utilisation upon Listing	RM
Acquisition of new head office/ refinancing of borrowings of acquisition of new head office (Note [a])	Within 3 months	7,502,000
Performance bonds and/or cash deposits for construction projects (Note [b])	Within 15 months	10,800,000
Working capital (Note [c])	Within 12 months	33,498,000
Estimated listing expenses (Note [d])	Within 3 months	4,300,000
Total estimated proceeds		**56,100,000**

(a) **Acquisition of the New Head Office/Refinancing of Borrowings for Acquisition of the New Head Office**

A sum of RM7,502,000 has been earmarked for the repayment of the bank borrowings relating to the acquisition of 12 parcels of office suites at The Glenz Mixed Commercial Development Project, being the new head office of the Group.

However, as at 30 June 2022, the said bank borrowings have yet to be fully drawn down, hence, in order to incorporate the pro forma effects on the utilisation proceeds from the Listing, the acquisition of the new head office was settled by RM5,711,990 from borrowings and the remaining of RM1,790,010 will be set off against other payables.

(b) **Performance Bonds and/or Cash Deposits for Construction Projects**

The Group has earmarked RM10.80 million of the proceeds to be utilised for the performance bonds and/or cash deposits for its on-going and future construction projects as follows:-

Project	Amount (RM'000)	Expected construction commencement date	Timing of submission of performance bond/cash deposit
Raja Uda Project	2,000	4th quarter of 2022	Within 6 months from construction commencement date
KKIP Warehouse Project	2,975	4th quarter of 2022	Within 6 months from construction commencement date
Future projects*	5,825	-	
Total	**10,800**		

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VESTLAND BERHAD

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

2. LISTING SCHEME (CONT'D)

2.2 Pro Forma II: Proposed Utilisation of Proceeds from the Listing (cont'd)

(b) Performance Bonds and/or Cash Deposits for Construction Projects (cont'd)

* *The Group has yet to enter into any other contractual binding agreement for its future projects to provide performance bonds and/or cash deposits for the remaining RM5,825,000. Accordingly, the remaining RM5,825,000 earmarked for performance bonds and/or cash deposits for construction projects is not reflected in the Pro Forma Statements of Financial Position.*

(c) Working Capital

The proceeds which are earmarked for working capital purposes are estimated to be used for the payment for subcontractor services and for the payment to suppliers for purchases of construction materials. The allocation is in the manner as set out below:-

	RM
Payment for subcontractor services	25,000,000
Payment to suppliers for purchases of construction materials	8,498,000
Total	**33,498,000**

As at 28 November 2022, being the latest practicable date prior to the date of the Prospectus, the Group has yet to enter into any other contractual binding agreements or issue any purchase order for the subcontractor services as well as for the purchase of construction materials. Accordingly, the utilisation of proceeds earmarked for working capital purposes is not reflected in the Pro Forma Statements of Financial Position.

(d) Estimated Listing Expenses

The estimated listing expenses comprise the following:-

	RM
Professional fees	2,390,000
Fees to authorities	85,000
Underwriting, placement and brokerage fees	1,510,000
Printing, advertising and other incidental charges relating to the Listing	315,000
Total	**4,300,000**

The listing expenses is estimated to be RM4,300,000. As at 30 June 2022, RM828,700 has been charged to the profit or loss account and the said amount has been fully paid. The remaining estimated listing expenses of RM3,471,300 will be set off against the share capital and profit or loss accordingly. The apportionment is disclosed in Notes 3.10 and 3.12 respectively.

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VESTLAND BERHAD AND ITS SUBSIDIARY

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONT'D)

3. NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION

3.01 PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	11,218,259

3.02 RIGHT-OF-USE ASSETS

The movements of right-of-use assets are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	1,169,675

3.03 INVESTMENT PROPERTIES

The movements of investment properties are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	12,100,000

3.04 CASH AND CASH EQUIVALENTS

The movements of cash and cash equivalents are as follows:-

	Amount RM
At 30 June 2022	38,315,592
Pursuant to Proposed Listing Scheme	56,100,000
As per Pro Forma I	94,415,592
Pursuant to Utilisation of Proceeds	
- Acquisition of new head office/refinancing of borrowings for acquisition of new head office	(7,502,000)
- Performance bonds and/or cash deposits for construction projects	(4,975,000)
- Estimated listing expenses	(3,471,300)
As per Pro Forma II	78,467,292
Represented by:-	
Non-current	13,645,858
Current	64,821,434
	78,467,292

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VESTLAND BERHAD AND ITS SUBSIDIARY

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONT'D)

3. NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.05 DEFERRED TAX ASSETS

The movements of deferred tax assets are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	11,000

3.06 TRADE RECEIVABLES

The movements of trade receivables are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	102,168,905

3.07 OTHER RECEIVABLES

The movements of other receivables are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I	22,254,726
Pursuant to Utilisation of Proceeds	
- Performance bonds and/or cash deposits for construction projects	4,975,000
As per Pro Forma II	27,229,726

3.08 CONTRACT ASSETS

The movements of contract assets are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	18,767,690

3.09 ASSETS CLASSIFIED AS HELD-FOR-SALE

The movements of assets classified for held-for-sale are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	3,262,018

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VESTLAND BERHAD AND ITS SUBSIDIARY

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONT'D)

3. NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.10 SHARE CAPITAL

The movements of the issued share capital are as follows:-

	Number of Shares Unit	Amount RM
At 30 June 2022	774,308,700	46,458,616
Pursuant to Proposed Listing Scheme	170,000,000	56,100,000
As per Pro Forma I	944,308,700	102,558,616
Pursuant to Utilisation of Proceeds		
- Estimated listing expenses	-	(2,040,000)
As per Pro Forma II	944,308,700	100,518,616

3.11 MERGER DEFICIT

The movements of merger deficit are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	(44,708,516)

3.12 RETAINED EARNINGS

The movements of retained earnings are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I	55,364,872
Pursuant to Utilisation of Proceeds	
- Estimated listing expenses	(1,431,300)
As per Pro Forma II	53,933,572

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VESTLAND BERHAD AND ITS SUBSIDIARY

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONT'D)

3. NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.13 BORROWINGS

The movements of borrowings are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I	43,175,241
Pursuant to Utilisation of Proceeds	
- Acquisition of new head office/refinancing of borrowings for acquisition of new head office	(5,711,990)
As per Pro Forma II	37,463,251
Represented by:-	
Non-current	15,437,492
Current	22,025,759
	37,463,251

3.14 LEASE LIABILITIES

The movements of lease liabilities are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	922,966
Represented by:-	
Non-current	487,811
Current	435,155
	922,966

3.15 TRADE PAYABLES

The movements of trade payables are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	77,714,829

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VESTLAND BERHAD AND ITS SUBSIDIARY

PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONT'D)

3. NOTES TO PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.16 OTHER PAYABLES

The movements of other payables are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I	12,697,452
Pursuant to Utilisation of Proceeds	
- Acquisition of new head office/refinancing of borrowings for acquisition of new head office	(1,790,010)
As per Pro Forma II	10,907,442

3.17 CONTRACT LIABILITIES

The movements of contract liabilities are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	13,062,457

3.18 TAX PAYABLE

The movements of tax payable are as follows:-

	Amount RM
At 30 June 2022/As per Pro Forma I/II	4,579,948

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GRANT THORNTON MALAYSIA PLT

VESTLAND BERHAD
(Registration No: 202101037563 (1437863 – M))
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT
FOR THE FINANCIAL YEARS/PERIOD ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021 AND 30 JUNE 2022

GRANT THORNTON MALAYSIA PLT

CHARTERED ACCOUNTANTS

Member Firm of Grant Thornton International Ltd.

Date: 30 November 2022

Grant Thornton Malaysia PLT
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

T +603 2692 4022
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The Board of Directors
Vestland Berhad
D-08-03, Menara Mitraland
No.13A, Jalan PJU 5/1
Kota Damansara PJU 5
47810 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

Reporting Accountants' Opinion on The Financial Statements (as defined herein) Contained In The Accountants' Report of Vestland Berhad ("the Company" or "Vestland")

Opinion

We have audited the financial statements of Vestland Berhad and its subsidiary (collectively known as "the Group" or "Vestland Group") which comprises the statements of financial position of the Group as at 31 December 2019, 31 December 2020, 31 December 2021 and 30 June 2022, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the financial years/period ended 31 December 2019, 31 December 2020, 31 December 2021 and 30 June 2022 and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 73.

In our opinion, the accompanying financial statements give a true and fair view of the statements of financial position of the Group as at 31 December 2019, 31 December 2020, 31 December 2021 and 30 June 2022 and of its financial performance and cash flows for the financial years/period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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 Financial Information* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

Audit | Tax | Advisory

Chartered Accountants
Grant Thornton Malaysia PLT [201906003682 [LLP0022494-LCA] & AF 0737] is a Limited Liability Partnership and is a member firm of Grant Thornton International Ltd (GTIL), a private company limited by guarantee, incorporated in England and Wales.

Grant Thornton Malaysia PLT was registered on 1 January 2020 and with effect from that date, Grant Thornton Malaysia [AF 0737], a conventional partnership was converted to a Limited Liability Partnership.

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Responsibilities of the Directors for the Financial Statements

The Directors of the Group are responsible for the preparation of the financial statements of the Group that give a true and fair view in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a reporting 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 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 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.

- 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 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Reporting Accountants' Responsibilities for the Audit of the Financial Statements (cont'd)

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 (cont'd):

- Evaluate the overall presentation, structure and content of the financial statements of the Group, including the disclosures, and whether the financial statements of the Group represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of the entity or business activities within the Group to express an opinion on the 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 communicated 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 identified during our audit.

Other Matters

1. The comparative information in respect of the statements of profit or loss and other comprehensive income, statements of cash flows and related notes to the financial statements for the financial period ended 30 June 2021 has not been audited.

2. This report has been prepared solely to comply with the Prospectus Guidelines – Equity issued by the Securities Commission Malaysia and for inclusion in the prospectus of Vestland in connection with the listing of and quotation for the entire enlarged issued share capital of Vestland 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 report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

LUI LEE PING
(NO: 03334/11/2023 (J))
CHARTERED ACCOUNTANT

Kuala Lumpur

VESTLAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021 AND 30 JUNE 2022

	Note	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	16,350,608	13,362,927	8,994,496	11,218,259
Right-of-use assets	5	1,868,262	1,666,450	2,080,219	1,169,675
Investment properties	6	5,352,004	3,934,374	15,950,048	12,100,000
Investment in associates	7	1,140,000	-	-	-
Cash and cash equivalents	8	3,449,991	-	10,846,449	13,645,858
Deferred tax assets	9	101,000	151,000	97,000	11,000
Total non-current assets		28,261,865	19,114,751	37,968,212	38,144,792
Current assets					
Trade receivables	10	40,356,934	57,589,968	79,252,207	102,168,905
Other receivables	11	17,460,888	20,658,951	28,731,476	22,254,726
Contract assets	12	12,604,658	6,007,016	17,082,723	18,767,690
Cash and cash equivalents	8	12,489,057	14,047,099	3,889,014	24,669,734
Total current assets		82,911,537	98,303,034	128,955,420	167,861,055
Assets classified as held-for-sale	13	-	3,703,333	1,828,445	3,262,018
TOTAL ASSETS		111,173,402	121,121,118	168,752,077	209,267,865
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to the owners of the Company					
Share capital	14	1,750,000	1,750,000	1,750,100	46,458,616
Merger deficit	15	-	-	-	(44,708,516)
Retained earnings		27,054,953	34,064,070	44,699,442	55,364,872
Total equity		28,804,953	35,814,070	46,449,542	57,114,972
LIABILITIES					
Non-current liabilities					
Borrowings	16	4,508,492	17,281,552	19,192,397	20,970,161
Lease liabilities	17	1,301,370	923,926	1,108,959	487,811
Total non-current liabilities		5,809,862	18,205,478	20,301,356	21,457,972

VESTLAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021 AND 30 JUNE 2022 (CONT'D)

	Note	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES (CONT'D)					
Current liabilities					
Trade payables	18	36,593,306	37,521,111	68,272,337	77,714,829
Other payables	19	20,632,690	7,564,895	20,684,792	12,697,452
Contract liabilities	12	9,310,882	3,478,914	2,823,905	13,062,457
Amount due to Directors	20	14,847	51,903	-	-
Borrowings	16	8,741,340	14,907,669	6,914,165	22,205,080
Lease liabilities	17	875,007	1,109,014	1,031,980	435,155
Tax payable		390,515	2,468,064	2,274,000	4,579,948
Total current liabilities		76,558,587	67,101,570	102,001,179	130,694,921
Total liabilities		82,368,449	85,307,048	122,302,535	152,152,893
TOTAL EQUITY AND LIABILITIES		111,173,402	121,121,118	168,752,077	209,267,865

The accompanying notes form an integral part of the financial statements.

VESTLAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021

	Note	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Revenue	21	98,707,242	97,124,340	171,081,040	139,913,852	66,524,963
Cost of sales		(86,198,473)	(82,794,809)	(147,556,023)	(119,877,918)	(56,392,692)
Gross profit		12,508,769	14,329,531	23,525,017	20,035,934	10,132,271
Other income		1,056,961	866,747	369,960	855,991	112,345
Finance income		101,942	177,838	153,919	142,717	30,167
Administrative and operating expenses		(3,644,813)	(4,533,990)	(7,723,060)	(5,193,040)	(3,752,715)
Finance costs		(653,047)	(1,221,399)	(1,732,464)	(770,894)	(722,535)
Profit before tax	22	9,369,812	9,618,727	14,593,372	15,070,708	5,799,533
Tax expense	23	(2,205,075)	(2,609,610)	(3,958,000)	(4,405,278)	(1,597,000)
Profit for the financial years/periods		7,164,737	7,009,117	10,635,372	10,665,430	4,202,533
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income for the financial years/periods		7,164,737	7,009,117	10,635,372	10,665,430	4,202,533
Earnings per share:						
Basic and diluted (sen)	24	0.76	0.74	1.13	1.13	0.45

The accompanying notes form an integral part of the financial statements.

VESTLAND BERHAD
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STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021

		← Non-distributable →		Distributable	
	Note	Share capital RM	Merger deficit RM	Retained earnings RM	Total RM
At 1 January 2019		1,750,000	-	22,140,216	23,890,216
Transaction with owners:-					
Dividends paid to owners	25	-	-	(2,250,000)	(2,250,000)
Total comprehensive income for the financial year		-	-	7,164,737	7,164,737
At 31 December 2019		1,750,000	-	27,054,953	28,804,953
Total comprehensive income for the financial year		-	-	7,009,117	7,009,117
At 31 December 2020		1,750,000	-	34,064,070	35,814,070
Issuance of ordinary shares		100	-	-	100
Total comprehensive income for the financial year		-	-	10,635,372	10,635,372
At 31 December 2021		1,750,100	-	44,699,442	46,449,542
Transactions with owners:-					
Acquisition of a subsidiary		(1,750,000)	1,750,000	-	-
Issuance of ordinary shares pursuant to acquisition of a subsidiary		46,458,516	(46,458,516)	-	-
Total transactions with owners		44,708,516	(44,708,516)	-	-
Total comprehensive income for the financial period		-	-	10,665,430	10,665,430
At 30 June 2022		46,458,616	(44,708,516)	55,364,872	57,114,972

VESTLAND BERHAD
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STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021 (CONT'D)

		← Non-distributable →		Distributable	
	Note	Share capital RM	Merger deficit RM	Retained earnings RM	Total RM
Unaudited					
At 1 January 2021		1,750,000	-	34,064,070	35,814,070
Total comprehensive income for the financial period		-	-	4,202,533	4,202,533
At 30 June 2021		1,750,000	-	38,266,603	40,016,603

The accompanying notes form an integral part of the financial statements.

VESTLAND BERHAD
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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
OPERATING ACTIVITIES					
Profit before tax	9,369,812	9,618,727	14,593,372	15,070,708	5,799,533
Adjustments for:					
Amortisation of investment properties	96,100	117,113	84,326	7,027	42,163
Depreciation of property, plant and equipment	952,523	794,359	730,754	381,346	355,865
Depreciation of right-of-use assets	462,130	734,598	906,755	338,357	435,377
Interest expenses	717,098	1,380,188	1,817,349	789,433	757,012
Interest income	(101,942)	(177,838)	(153,919)	(142,717)	(30,167)
Impairment loss on assets held-for-sale	-	332,042	-	-	-
Loss on disposal of investment in an associate	-	639,999	-	-	-
Loss on disposal of investment property	-	-	-	31,003	-
Gain on disposal of assets held-for-sale, net of Real Property Gain Tax	(629,295)	-	(30,167)	(91,555)	-
(Gain)/Loss on disposal of property, plant and equipment	(35,500)	(1,609)	-	32,263	-
Property, plant and equipment written off	-	-	20,323	-	18,242
Gain on early termination of right-of-use assets	-	-	(4,750)	-	-
Operating profit before working capital changes	10,830,926	13,437,579	17,964,043	16,415,865	7,378,025

VESTLAND BERHAD
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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021 (CONT'D)

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
OPERATING ACTIVITIES (CONT'D)					
Operating profit before working capital changes	10,830,926	13,437,579	17,964,043	16,415,865	7,378,025
Changes in working capital:					
Receivables	7,619,595	(19,773,671)	(34,837,402)	(21,928,044)	(24,294,821)
Payables	(4,181,136)	(247,131)	38,881,723	5,467,260	15,406,994
Contract assets	(1,467,519)	6,438,853	(11,160,592)	(1,703,506)	(8,136,891)
Contract liabilities	(6,552,074)	(5,831,968)	(655,009)	10,238,552	(770,285)
Domestic recourse factoring	(1,437,250)	-	-	-	-
Cash generated from/(used in) operations	4,812,542	(5,976,338)	10,192,763	8,490,127	(10,416,978)
Tax paid	(1,506,268)	(582,061)	(4,098,064)	(2,013,330)	(400,000)
Net cash from/ (used in) operating activities	3,306,274	(6,558,399)	6,094,699	6,476,797	(10,816,978)

VESTLAND BERHAD
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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021 (CONT'D)

	Note	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
INVESTING ACTIVITIES						
Subscription of shares in associates		(440,000)	-	-	-	-
Interest received		101,942	177,838	153,919	142,717	30,167
Purchase of property, plant, and equipment	A	(119,179)	(45,327)	(1,047,878)	(344,305)	(114,305)
Proceeds from disposal of assets held-for-sale		2,962,750	-	2,233,500	1,920,000	-
Proceeds from disposal of investment property		-	-	-	550,000	-
Proceeds from disposal of property, plant, and equipment		35,500	5,400	-	5,000	-
Proceeds from disposal of investment in an associate		-	1	-	-	-
Purchase of investment properties		(1,213,948)	-	-	-	-
Purchase of right-of-use assets	B	-	-	(104,585)	-	(56,294)
(Advances to)/ Repayment from companies in which certain Directors have interest		(1,499,273)	(3,632,289)	79,502	4,188,096	-
(Advances to)/ Repayment from associates		(578,874)	2,300,304	-	-	(660,652)
(Advances to)/ Repayment from third parties		(2,634,309)	674,559	5,023,136	1,300,000	2,703,740
Net cash (used in)/ from investing activities		(3,385,391)	(519,514)	6,337,594	7,761,508	1,902,656

VESTLAND BERHAD
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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021 (CONT'D)

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
FINANCING ACTIVITIES					
Advances from/ (Repayment to) Directors	14,847	37,056	(51,903)	-	(18,820)
(Placement)/Withdrawal of fixed deposits	(955,644)	3,449,991	(3,028,919)	(1,932,447)	(3,794,120)
Placement of bank balance pledged	-	-	(7,817,530)	(866,962)	-
Drawdown of term loans	2,584,250	13,055,729	4,779,826	-	4,756,250
Interest paid	(653,047)	(993,110)	(1,701,464)	(770,894)	(749,085)
Repayment of term loans	(90,526)	(10,672,075)	(2,883,137)	(3,869,359)	(504,497)
Drawdown of revolving credit	-	-	5,542,872	15,200,050	10,923,380
Repayment of lease liabilities	(439,768)	(676,223)	(1,215,753)	(1,217,973)	(597,438)
Advances from/ (Repayment to) third parties	3,210,380	(1,305,380)	(1,905,000)	-	(90,000)
Proceeds from issuance of shares	-	-	100	-	-
Dividends paid	(2,250,000)	-	-	-	-
Net cash from/(used in) financing activities	1,420,492	2,895,988	(8,280,908)	6,542,415	9,925,670

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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021 (CONT'D)

	Note	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
CASH AND CASH EQUIVALENTS						
Net changes		1,341,375	(4,181,925)	4,151,385	20,780,720	1,011,348
Brought forward		2,578,179	3,919,554	(262,371)	3,889,014	(262,371)
Carried forward	C	3,919,554	(262,371)	3,889,014	24,669,734	748,977

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM	Unaudited 30.6.2021 RM
Total purchase of property, plant and equipment	12,119,179	45,327	8,698,528	2,070,185	114,305
Less: Other payables	(12,000,000)	-	(7,650,650)	(1,725,880)	-
Cash payment	119,179	45,327	1,047,878	344,305	114,305

B. PURCHASE OF RIGHT-OF-USE ASSETS

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM	Unaudited 30.6.2021 RM
Total purchase of right-of-use assets	1,321,000	532,786	1,499,685	-	789,293
Future lease payment included in lease liabilities	-	(532,786)	-	-	-
Acquired under lease arrangements	(1,321,000)	-	(1,395,100)	-	(732,999)
	-	-	104,585	-	56,294

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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS/PERIODS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 30 JUNE 2022 AND 30 JUNE 2021 (CONT'D)

NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

C. CASH AND CASH EQUIVALENTS

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM	Unaudited 30.6.2021 RM
Cash and bank balances	12,489,057	14,047,099	11,706,544	33,354,226	12,605,870
Fixed deposits with licensed banks	3,449,991	-	3,028,919	4,961,366	3,794,120
	15,939,048	14,047,099	14,735,463	38,315,592	16,399,990
Less:					
Bank overdraft	(8,569,503)	(14,309,470)	-	-	(11,856,893)
Bank balance pledged with a licensed bank	-	-	(7,817,530)	(8,684,492)	-
Fixed deposits pledged with licensed banks	(3,449,991)	-	(3,028,919)	(4,961,366)	(3,794,120)
	3,919,554	(262,371)	3,889,014	24,669,734	748,977

The bank balance and fixed deposits with licensed banks of the Group amounted to RM8,684,492 and RM4,961,366 (31.12.2021: RM7,817,530 and RM3,028,919, 31.12.2020: Nil, 31.12.2019: Nil and RM3,449,991 and unaudited 30.6.2021: Nil and RM3,794,120) respectively have been pledged as security for banking facility granted to the Group and hence, are not available for general use.

VESTLAND BERHAD
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021 AND 30 JUNE 2022

1. GENERAL INFORMATION

1.1 Introduction

This report has been prepared solely to comply with the Prospectus Guidelines issued by the Securities Commission Malaysia and for inclusion in the prospectus of Vestland Berhad ("Vestland") in connection with the listing of and quotation for the entire enlarged issued share capital of the Group 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

Vestland Sdn Bhd was incorporated on 10 November 2021 as a private limited liability company incorporated and domiciled in Malaysia. Vestland Sdn Bhd converted into a public limited liability company on 28 April 2022 and assumed its current name of Vestland Berhad. The registered office is located at Unit 30-01, Level 30 Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The principal place of business of the Group is located at D-08-03, Menara Mitraland, No.13A, Jalan PJU 5/1, Kota Damansara PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.

1.3 Principal Activities

The Company is principally engaged in investment holding.

The subsidiary of Vestland as of the date of this report are as follows:-

Name of company	Effective ownership	Principal activities	Date of incorporation	Principal place of business/Country of incorporation
Vestland Resources Sdn Bhd	100%	Builders and contractors for construction works	26 January 2011	Malaysia

There was no significant change in the nature of the principal activities of Vestland and its subsidiary since their respective dates of incorporation.

1.4 Acquisition

Vestland Group

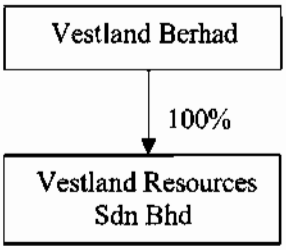
The Vestland Group formed pursuant to the completion of acquisition of Vestland Resources Sdn Bhd by Vestland prior to the listing and quotation on the ACE Market of Bursa Malaysia Securities Berhad.

On 20 April 2022, Vestland acquired the entire issued share capital of Vestland Resources Sdn Bhd comprising 1,750,000 ordinary shares for a purchase consideration of RM46,458,516 which was wholly satisfied via issuance of 774,308,600 new Vestland shares at an issue price of RM0.06 per share.

1. GENERAL INFORMATION (CONT'D)

1.4 Acquisition (cont'd)

Following the completion of the acquisition by Vestland, the group structure of is as follows:-



The Group is regarded as a continuing entity resulting from the acquisition since the management of all the entity which took major part in the acquisition which were controlled by the Directors and substantially under same major shareholders before and immediately after the acquisition. Consequently, immediately after the acquisition, there was a continuation of the control over entities' financial and operating policy decisions and risks 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 interests. Accordingly, the financial statements for the financial years/period ended ("FYE")/("FPE") 31 December 2019, 31 December 2020, 31 December 2021 and 30 June 2022 have been prepared comprise the financial statements of the combining entity 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 statements of Vestland Berhad was included for the financial years ended 31 December 2019 and 31 December 2020 as Vestland Berhad was only incorporated on 10 November 2021.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs") based on the Guidance Note on 'Financial Statements' issued by the Malaysian Institute of Accountants in relation to the Listing.

The financial statements consist of the financial statements of the Group, which were under common control throughout the reporting years/periods by virtue of common controlling shareholders.

The financial statements have been prepared using financial statements obtained from the records of the Group during the reporting years/periods.

The financial information as presented in the financial statements do not correspond to the financial statements of the Group, as the financial statements reflect business combinations under common control for the purpose of the Listing. Consequently, the financial statements do not purport to predict the financial positions, results of operations and cash flows of the Group during the reporting years/periods.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Basis of Measurement

The financial statements of the Group are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of an asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure for value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting years/period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.4 MFRSs

2.4.1 Adoption of New Standards/Amendments/Improvements to MFRSs

The Group has consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

At the beginning of the current financial years/period, the Group adopted new standards/amendments/ improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 April 2021.

The initial application of the new standards/amendments/improvements to the standards did not have material impact on the financial statements.

2.4.2 Standards Issued but Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to MFRSs Effective for Financial Period 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 and Amendments to MFRS Effective for Financial Period Beginning On or After 1 January 2023:-

MFRS 17*	Insurance Contracts
Amendments to MFRS 17*	Insurance Contracts
Amendments to MFRS 17*	Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 4*	Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 101	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

Amendments to MFRSs Effective for Financial Period Beginning On or After 1 January 2024:-

Amendments to MFRS 16	Leases: Lease Liability in a Sale and Leaseback

Amendments to MFRSs – Effective Date Deferred Indefinitely

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associate and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* Not applicable to the Group's operation

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.4 MFRSs (cont'd)

2.4.2 Standards Issued but Not Yet Effective (cont'd)

The initial application of the above standards and amendments are not expected to have any material financial impact to the financial statements.

2.5 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made.

Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by the management, and will seldom equal the estimated results.

2.5.1 Key Sources of Estimation Uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful Lives of Depreciable Assets

Management estimates the useful lives of the property, plant and equipment, right-of-use assets and investment properties to be 3 to 93 years and reviews the useful lives of depreciable assets at each reporting date. The management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and developments, which may result in an adjustment to the Group's assets.

The carrying amount of the Group's property, plant and equipment, right-of-use assets and investment properties at the reporting date is disclosed in Notes 4, 5 and 6 to the financial statements.

The management expects that the expected useful lives of the property, plant and equipment, right-of-use assets and investment properties would not have material difference from the management's estimation hence it would not result in material variance in Group's profit for the financial years/period.

Impairment of Non-financial Assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Key Sources of Estimation Uncertainty (cont'd)

Impairment of Non-financial Assets (cont'd)

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Classification Between Investment Properties and Owner-occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Provision for Expected Credit Losses of Trade Receivables and Contract Assets

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables and contract assets. The provision rates are based on the repayment pattern of the customers, customers type and coverage by letters of credit.

The provision matrix is initially based on the Group's historical default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with the forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Income Taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Key Sources of Estimation Uncertainty (cont'd)

Deferred Tax Assets (cont'd)

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences 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 of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on the management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainties, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and and unrecognised temporary differences.

Revenue from Contracts with Customers

Revenue is recognised when or as the control of the asset is transferred to our customers and, depending on the terms of the contract and the applicable laws governing the contract, control of the asset may transfer over time or at a point in time. If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress, based on the physical proportion of contract work-to-date certified by the Group and the customers.

Significant judgement is required in determining progress based on the certified work-to-date corroborated by the level of completion of the construction and installation based on actual costs incurred to-date over the estimated total constriction and installation costs. The total estimated costs are based on approval budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgements, management relies on past experience and the work of specialists. A change in estimates will directly affect the revenue to be recognised.

2.5.2 Significant Management Judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Deferred Tax Assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group applies the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

3.1 Business Combination

3.1.1 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, Company considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's statement of financial position, unless the investment is held for sale or distribution. The cost of investments included transaction costs. Where an indication of impairment exists, the carrying amount of the subsidiary is assessed and written down immediately to their recoverable amount.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amounts is included in the profit or loss.

3.1.2 Basis of Business Combination

Merger method

A business combination involving entity under common control is a business combination in which all the combining entity or business are ultimately controlled by same party or parties both before or after the business combination, and that control is not transitory. The acquisition of Vestland Resources Sdn Bhd resulted in a business involving common control entity since the management of all the entity which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entity in the financial statements. 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.

Under the merger method of accounting, the results of subsidiary are presented as if the merger had been effected throughout the current year. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entity, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1.3 Loss of Control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3.1.4 Elimination on Combination

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the financial statements.

3.1.5 Associates

Associates are entities in which the Group has significant influence, but no control, over their financial and operating policies.

The Group's investment in associates is accounted for using the equity method. Under the equity method, investment in an associate is carried in the statements of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The share of the result of an associate is reflected in the profit or loss. This is the profit attributable to equity holders of the associate and therefore is the profit after tax and non-controlling interests in the subsidiaries of the associate. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each end of the reporting period whether there is any objective evidence that the investment in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and their carrying value, then recognise the amount in the share of profit of an equity-accounted associate in the profit or loss.

Upon loss of significant influence over an associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in the profit or loss.

Investment in associates is stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Non-current Assets Held-for-Sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held-for-sale.

Classification of the asset as held for sale occurs only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary and the sale must be highly probable. Management must be committed to a plan to sell the assets which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment, right-of-use assets and investment properties once classified as held-for-sale are not amortised or depreciated.

3.3 Property, Plant and Equipment

Property, plant and equipment are initially stated at cost.

All property, plant and equipment are subsequently stated at cost less accumulated depreciation and less any impairments losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance costs are charged to profit or loss in the period in which they incurred.

Properties under construction consist of buildings under construction for intended use as Group's office and staff's hostel.

Depreciation is recognised on the straight line method in order to write off the cost of each asset over its estimated useful lives. The annual rate of depreciation based on the estimated useful lives of the various classes of depreciable assets are as follows:-

Buildings	2%
Office equipment	20% - 33%
Furniture and fittings	20%
Electrical installation	20%
Machinery and equipment	20%
Motor vehicles	20%
Renovation	33%

Property under construction is not depreciated as it is not ready to use.

The residual values, useful lives and depreciation method are reviewed at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, Plant and Equipment (cont'd)

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial years in which the asset is derecognised.

3.4 Investment Properties

Investment properties which are held to earn rentals or for capital appreciation or both, are measured initially at its cost. Transaction costs are included in the initial measurement.

After initial recognition as investment properties, investment properties are carried at cost value less accumulated amortisation and any accumulated impairment losses.

The principal annual amortisation rate used is as follows:-

Long leasehold land	93 years
Buildings	2%
Shoplots	2%

Properties under construction consist of buildings under construction for intended use as for rental.

Depreciation of an investment property begins when it is ready for its intended use.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from derecognition, determined as the difference between any net disposal proceeds and the carrying amounts of the investment property, and is recognised in statements of profit or loss.

3.5 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.5.1 As A Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

3.5.1 As A Lessee (cont'd)

Right-of-use Assets (cont'd)

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

Long leasehold land	81 years
Motor vehicles	20%
Machinery and equipment	20%
Store	50%

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy in Note 3.7 to the financial statements.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

As a practical expedient, MFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

COVID-19 - Related Rent Concessions

The amendments to MFRS 16 provide relief to lessees from applying MFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether the COVID-19 - related rent concessions from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from COVID-19 - related rent concessions the same way it would account for the change under MFRS 16, if the change were not a lease modification.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

3.5.1 As A Lessee (cont'd)

COVID-19 - Related Rent Concessions (cont'd)

During the financial year, the Group elects to account for a COVID-19 - related rent concessions that meets all of the following conditions in the same way as they would if they were not lease modification:

- the change in lease payments results in revised consideration for the lease that is substantially the same as or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

The Group accounts for such COVID-19 - related rent concessions in which the event or condition that triggers the reduced payment occurs. The Group presents the impacts of rent concessions within other income.

Short-term Leases and Leases of Low-value Assets

The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

3.5.2 As A Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statements of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.6.1 Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.1 Financial Assets (cont'd)

Initial Recognition and Measurement (cont'd)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVTOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost (debt instruments);
- financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments);
- financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- financial assets at FVTPL.

The Group only has financial assets at amortised costs on its statements of financial position.

Financial Assets at Amortised Cost

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade and most of other receivables, cash and cash equivalents.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.1 Financial Assets (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.1 Financial Assets (cont'd)

Impairment (cont'd)

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.6.2 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- financial liabilities at fair value through profit or loss; or
- financial liabilities at amortised cost.

The Group only has financial liabilities at amortised cost on its statements of financial position.

Financial Liabilities at Amortised Cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss. The Group's financial liabilities include trade and most of other payables, amount due to Directors and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.7 Impairment of Non-financial Assets

The Group assesses at each reporting date whether there is an indication that an asset maybe impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss has been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

3.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, short term placement, fixed deposits with licensed banks and bank overdraft which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdraft is shown in current liabilities in the statements of financial position.

For the purpose of the statements of financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the end of the reporting period are classified as non-current asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Cash and Cash Equivalents (cont'd)

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdraft, pledged deposits and Escrow account.

3.9 Equity, Reserves and Distributions to Owners

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.

Retained earnings include all current and prior periods' profits.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grants the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Final dividends proposed by the Directors are not accounted for in shareholders' equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognsied as a liability.

All transactions with owners of the Company are recorded separately within equity.

3.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statements of profit or loss net of any reimbursement.

If the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.11 Contingencies

3.11.1 Contingent Liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Contingencies (cont'd)

3.11.2 Contingent Assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where 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, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

3.12 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

3.13 Employee Benefits

3.13.1 Short-term Employee Benefit

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.13.2 Defined Contribution Plan

Defined contribution plan is post-employment benefit plans under which the Group pays fixed contribution into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contribution is recognised as an expense in the profit or loss as incurred. As required by law, the Group makes such contribution to the Employees Provident Fund.

3.14 Revenue and Other Income

3.14.1 Revenue Recognition

Revenue from contracts with customers is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. "control" of services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise in a contract with a customer to transfer to the customer either:-

(a) goods or service (or a bundle of goods or service) that is distinct; or
(b) a series of distinct goods or service that are substantially the same and that have the same pattern of transfer to the customer.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue and Other Income (cont'd)

3.14.1 Revenue Recognition (cont'd)

Revenue from contracts with customers is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised service to the customers, excluding amounts collected on behalf of third parties such as sales tax or service tax. 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 standalone selling prices of the goods or service promised in the contract.

The amount of variable consideration 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 service may be transferred over time or at a point in time. 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 control over the goods or service 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 performs;
- 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 does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

3.14.2 Construction Contracts

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customers under the terms of the contract.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the end of the reporting period. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to be recognised in a period of the contract by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract cost.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probably recoverable and contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that the total contract cost will exceed the contract revenue, the expected loss is recognised as an expense immediately.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue and Other Income (cont'd)

3.14.2 Construction Contracts (cont'd)

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probably that they will result in revenue and they are capable of being reliably measured.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as contract assets under current assets. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as contract liabilities under current liabilities.

Contract Costs

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). These costs are recognised in contract assets if the Group expects to recover those costs.

Contract Assets

A contract asset is the right to consideration in exchange for goods or service transferred to the customer. If the Group performs by transferring goods or service to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract Liabilities

A contract liability is the obligation to transfer goods or service to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. If a customer pays consideration before the Group transfers goods or service to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.14.3 Other Income

Interest Income

Interest income is recognised in the profit or loss on time proportion basis taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Rental Income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Tax Expense

Tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.15.1 Current Tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Current tax for current and prior periods are recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3.15.2 Deferred Tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available to offset against the unutilised tax incentive credit.

3.16 Earnings per Ordinary Share

The Group presents basic and diluted earnings per share for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Related Parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:-

(i) Has control or joint control over the Group;
(ii) Has significant influence over the Group; or
(iii) Is a member of the key management personnel of the ultimate holding Group or the Group.

(b) An entity is related to the Group if any of the following conditions apply:-

(i) The entity and the Group are members of the same group.
(ii) The entity is an associate or joint venture of the Group.
(iii) Both the Group and the entity are joint ventures of the same third party.
(iv) The Group is a joint venture of a third entity and the entity is an associate of the same third entity.
(v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
(vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the ultimate holding Group or the entity.
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

3.18 Operating Segments

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. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. PROPERTY, PLANT AND EQUIPMENT

	Long leasehold land RM	Buildings RM	Office equipment RM	Furniture and fittings RM	Electrical installation RM	Machinery and equipment RM	Motor vehicles RM	Renovation RM	Properties under construction RM	Total RM
Cost										
At 1.1.2019	126,633	2,088,272	664,566	967,461	79,368	2,567,343	2,717,168	465,903	531,525	10,208,239
Additions	-	-	8,399	-	-	10,780	-	-	12,100,000	12,119,179
Transfer to right-of-use assets	(126,633)	-	-	-	-	-	(1,646,994)	-	-	(1,773,627)
Disposal	-	-	-	-	-	-	(429,000)	-	-	(429,000)
At 31.12.2019	-	2,088,272	672,965	967,461	79,368	2,578,123	641,174	465,903	12,631,525	20,124,791
Additions	-	-	19,167	-	-	26,160	-	-	-	45,327
Transfer to investment properties	-	-	-	-	-	-	-	-	(531,525)	(531,525)
Transfer to assets held-for-sale	-	(1,825,000)	-	-	-	-	-	-	-	(1,825,000)
Disposal	-	-	-	-	-	-	(24,155)	-	-	(24,155)
At 31.12.2020	-	263,272	692,132	967,461	79,368	2,604,283	617,019	465,903	12,100,000	17,789,438
Additions	-	-	125,763	4,110	-	804,401	49,000	64,604	7,650,650	8,698,528
Transfer to assets held-for-sale	-	(263,272)	-	-	-	-	-	-	-	(263,272)
Transfer to investment properties	-	-	-	-	-	-	-	-	(12,100,000)	(12,100,000)
Transfer from right-of-use assets	-	-	-	-	-	-	101,560	-	-	101,560
Written off	-	-	(122,904)	(112,995)	(79,368)	(95,050)	(8,000)	-	-	(418,317)
At 31.12.2021	-	-	694,991	858,576	-	3,313,634	759,579	530,507	7,650,650	13,807,937
Additions	-	-	15,087	-	-	162,818	166,400	-	1,725,880	2,070,185
Transfer from right-of-use assets	-	-	-	-	-	-	2,261,942	-	-	2,261,942
Disposal	-	-	(6,970)	-	-	(81,000)	-	(32,302)	-	(120,272)
At 30.6.2022	-	-	703,108	858,576	-	3,395,452	3,187,921	498,205	9,376,530	18,019,792

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Long leasehold land RM	Buildings RM	Office equipment RM	Furniture and fittings RM	Electrical installation RM	Machinery and equipment RM	Motor vehicles RM	Renovation RM	Properties under construction RM	Total RM
Accumulated depreciation										
At 1.1.2019	9,380	80,260	389,042	636,946	49,611	763,624	1,728,624	357,408	-	4,014,895
Charge for the financial year	-	41,765	129,598	113,271	10,591	512,235	42,620	102,443	-	952,523
Transfer to right-of-use assets	(9,380)	-	-	-	-	-	(754,855)	-	-	(764,235)
Disposal	-	-	-	-	-	-	(429,000)	-	-	(429,000)
At 31.12.2019	-	122,025	518,640	750,217	60,202	1,275,859	587,389	459,851	-	3,774,183
Charge for the financial year	-	41,766	93,232	107,189	10,000	506,007	30,114	6,051	-	794,359
Transfer to assets held-for-sale	-	(121,667)	-	-	-	-	-	-	-	(121,667)
Disposal	-	-	-	-	-	-	(20,364)	-	-	(20,364)
At 31.12.2020	-	42,124	611,872	857,406	70,202	1,781,866	597,139	465,902	-	4,426,511
Charge for the financial year	-	5,266	72,952	91,338	9,166	526,596	23,658	1,778	-	730,754
Transfer to asset held-for-sale	-	(47,390)	-	-	-	-	-	-	-	(47,390)
Transfer from right-of-use assets	-	-	-	-	-	-	101,560	-	-	101,560
Written off	-	-	(121,850)	(94,754)	(79,368)	(94,022)	(8,000)	-	-	(397,994)
At 31.12.2021	-	-	562,974	853,990	-	2,214,440	714,357	467,680	-	4,813,441
Charge for the financial period	-	-	23,851	1,361	-	333,361	20,996	1,777	-	381,346
Transfer from right-of-use assets	-	-	-	-	-	-	1,689,755	-	-	1,689,755
Disposal	-	-	(232)	-	-	(81,000)	-	(1,777)	-	(83,009)
At 30.6.2022	-	-	586,593	855,351	-	2,466,801	2,425,108	467,680	-	6,801,533
Net carrying amount										
At 31.12.2019	-	1,966,247	154,325	217,244	19,166	1,302,264	53,785	6,052	12,631,525	16,350,608
At 31.12.2020	-	221,148	80,260	110,055	9,166	822,417	19,880	1	12,100,000	13,362,927
At 31.12.2021	-	-	132,017	4,586	-	1,099,194	45,222	62,827	7,650,650	8,994,496
At 30.6.2022	-	-	116,515	3,225	-	928,651	762,813	30,525	9,376,530	11,218,259

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The net carrying amount of property, plant and equipment pledged as security for banking facilities granted to the Group as stated in Note 16 to the financial statements are as follows:-

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Buildings	1,966,247	221,148	-	-
Properties under construction	-	-	-	7,650,650
	1,966,247	221,148	-	7,650,650

A motor vehicle with cost and net carrying amount of RM5,210 and Nil (31.12.2021, 31.12.2020 and 31.12.2019: RM5,210 and Nil) respectively was registered and held-in-trust by a Director of the Company.

5. RIGHT-OF-USE ASSETS

As a lessee

The Group has leases for long leasehold land, motor vehicles, machinery and equipment and store that run between 2 to 81 years.

The Group also has leases of premises and office equipment with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases.

	Long leasehold land RM	Motor vehicles RM	Machinery and equipment RM	Store RM	Total RM
At 1.1.2019	-	-	-	-	-
Transfer from property, plant, and equipment	117,253	892,139	-	-	1,009,392
Additions	-	56,000	1,265,000	-	1,321,000
Depreciation charge for the financial year	(1,564)	(334,066)	(126,500)	-	(462,130)
At 31.12.2019	115,689	614,073	1,138,500	-	1,868,262
Additions	-	-	-	532,786	532,786
Depreciation charge for the financial year	(1,563)	(280,240)	(253,000)	(199,795)	(734,598)
At 31.12.2020	114,126	333,833	885,500	332,991	1,666,450
Transfer to assets held-for-sale	(112,563)	-	-	-	(112,563)
Additions	-	1,499,685	-	-	1,499,685
Depreciation charge for the financial year	(1,563)	(385,799)	(253,000)	(266,393)	(906,755)
Early termination	-	-	-	(66,598)	(66,598)
At 31.12.2021	-	1,447,719	632,500	-	2,080,219
Transfer from property, plant, and equipment	-	(572,187)	-	-	(572,187)
Depreciation charge for the financial period	-	(211,857)	(126,500)	-	(338,357)
At 30.6.2022	-	663,675	506,000	-	1,169,675

5. RIGHT-OF-USE ASSETS (CONT'D)

As a lessee (cont'd)

The above motor vehicles, machinery and equipment are under lease arrangement.

The above long leasehold land is pledged as security for banking facilities granted to the Group as stated in Note 16 to the financial statements.

6. INVESTMENT PROPERTIES

	Long leasehold land RM	Buildings RM	Shoplots RM	Properties under construction RM	Total RM
Cost					
At 1.1.2019	827,333	3,325,445	800,000	-	4,952,778
Additions	-	1,213,948	-	-	1,213,948
At 31.12.2019	827,333	4,539,393	800,000	-	6,166,726
Transfer from property, plant and equipment	-	531,525	-	-	531,525
Transfer to assets held-for-sale	(827,333)	(1,654,667)	-	-	(2,482,000)
At 31.12.2020	-	3,416,251	800,000	-	4,216,251
Transfer from property, plant and equipment	-	-	-	12,100,000	12,100,000
At 31.12.2021	-	3,416,251	800,000	12,100,000	16,316,251
Disposal	-	(609,444)	-	-	(609,444)
Transfer to assets held-for-sale	-	(2,806,807)	(800,000)	-	(3,606,807)
At 30.6.2022	-	-	-	12,100,000	12,100,000
Accumulated amortisation					
At 1.1.2019	22,240	154,044	81,333	-	257,617
Charge during the financial year	8,896	71,204	16,000	-	96,100
At 31.12.2019	31,136	225,248	97,333	-	353,717
Charge during the financial year	8,896	92,217	16,000	-	117,113
Transfer to assets held-for-sale	(40,032)	(148,921)	-	-	(188,953)
At 31.12.2020	-	168,544	113,333	-	281,877
Charge during the financial year	-	68,326	16,000	-	84,326
At 31.12.2021	-	236,870	129,333	-	366,203
Charge during the financial period	-	5,694	1,333	-	7,027
Disposal	-	(28,441)	-	-	(28,441)
Transfer to assets held-for-sale	-	(214,123)	(130,666)	-	(344,789)
At 30.6.2022	-	-	-	-	-

6. INVESTMENT PROPERTIES (CONT'D)

	Long leasehold land RM	Buildings RM	Shoplots RM	Properties under construction RM	Total RM
Accumulated impairment					
At 1.1.2019/31.12.2019	-	461,005	-	-	461,005
Transfer to assets held-for-sale	-	(461,005)	-	-	(461,005)
At 31.12.2020/31.12.2021 /30.6.2022	-	-	-	-	-
Net carrying amount					
At 31.12.2019	796,197	3,853,140	702,667	-	5,352,004
At 31.12.2020	-	3,247,707	686,667	-	3,934,374
At 31.12.2021	-	3,179,381	670,667	12,100,000	15,950,048
At 30.6.2022	-	-	-	12,100,000	12,100,000
Fair value of investment properties					
At 31.12.2019	840,206	5,547,829	3,123,636	-	9,511,671
At 31.12.2020	-	4,296,476	954,086	-	5,250,562
At 31.12.2021	-	4,244,630	938,821	-	5,183,451
At 30.6.2022	-	-	-	-	-

The strata title of the buildings with the net carrying amount of Nil (31.12.2021: RM519,466, 31.12.2020: RM530,096 and 31.12.2019: RM1,613,383) is yet to issue by the relevant authorities.

The above long leasehold land meets the definition of right-of-use assets but does not required to be reclassified to right-of-use assets.

Expenses recognised in profit or loss:-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Revenue generated from investment properties	129,600	138,320	107,931	-	60,800
Direct operating expenses for investment properties:					
- revenue generating properties	73,666	72,446	63,389	-	32,934
- non-revenue generating properties	62,751	86,722	22,955	-	14,772

6. INVESTMENT PROPERTIES (CONT'D)

The net carrying amount of investment properties pledged as security for banking facilities granted to the Group as stated in Note 16 to the financial statements are as follows:-

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Long leasehold land	796,197	-	-	-
Buildings	2,239,757	1,666,850	3,179,382	-
Shoplot	702,667	686,667	670,666	-
Properties under construction	-	-	12,100,000	12,100,000
	3,738,621	2,353,517	15,950,048	12,100,000

Fair value of investment properties is estimated by Directors by reference to the published selling price for properties in vicinity locations. The long leasehold land, buildings and shoplots are classified as Level 3 in the fair value hierarchy.

The Directors have determined that the fair value of properties under construction are not reliably determinable without undue cost or effort but expects its fair value to be reliably determinable when construction is complete.

Impairment of assets

The impairment of building was derived using sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The impairment was provided for as the net carrying amount of the building was below the market value of the said property at the end of the previous financial years.

7. INVESTMENT IN ASSOCIATES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
At cost				
Unquoted shares in Malaysia	1,140,000	500,000	-	-
Transfer to assets held-for-sale	-	(500,000)	-	-
	1,140,000	-	-	-

The details of the associates, which is incorporated and domiciled in Malaysia, are as follows:-

Name of companies	Effective equity interest 31.12.2019 %	31.12.2020 %	31.12.2021 %	30.6.2022 %	Principal activities
Grand Golden Development Sdn Bhd	20	-	-	-	Real property and housing developer
Le Garden Development Sdn Bhd	50	-	-	-	Investment holding

7. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of the associates, not adjusted for the proportion of ownership interests held by the Group is as follow:-

	31.12.2019 RM
Assets and liabilities	
Non-current assets	2,891,394
Current assets	6,115,806
Current liabilities	(5,377,735)
	3,629,465
Results	
Loss for the financial year	(391,349)

Contingent Liabilities and Capital Commitments

The associates have no contingent liabilities and capital commitments as at the reporting date.

8. CASH AND CASH EQUIVALENTS

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Non-current				
Bank balance	-	-	7,817,530	8,684,492
Fixed deposits placed with licensed banks	3,449,991	-	3,028,919	4,961,366
	3,449,991	-	10,846,449	13,645,858
Current				
Cash and bank balance	12,489,057	14,047,099	3,889,014	24,669,734
	15,939,048	14,047,099	14,735,463	38,315,592

The bank balance of RM8,684,492 (31.12.2021: RM7,817,530, 31.12.2020 and 31.12.2019: Nil) which were held under Escrow account and pledged as securities for banking facilities granted to the Group as shown in Note 16 to the financial statements.

The fixed deposits placed with licensed banks of RM4,961,366 (31.12.2021: RM3,028,919, 31.12.2020: Nil and 31.12.2019: RM3,449,991) are pledged as securities for banking facilities granted to the Group as shown in Note 16 to the financial statements.

The effective interest rate for the fixed deposits is 1.70% (31.12.2021: 1.65%, 31.12.2020 and 31.12.2019: 1.95% to 6.00%) per annum with maturing period of 1 month (31.12.2021: 1 month, 31.12.2020 and 31.12.2019: 3 to 12 months).

9. DEFERRED TAX ASSETS

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Brought forward	285,000	101,000	151,000	97,000
Recognised in profit or loss	(184,000)	50,000	(54,000)	(86,000)
Carried forward	101,000	151,000	97,000	11,000

The components of recognised deferred tax assets are made up of temporary differences arising from:-

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Property, plant and equipment	62,000	90,000	101,000	(25,000)
Right-of-use assets	-	61,000	(4,000)	36,000
Income received in advance and deemed completed construction projects	39,000	-	-	-
	101,000	151,000	97,000	11,000

10. TRADE RECEIVABLES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Trade receivables	21,017,872	42,508,673	57,619,941	73,387,822
Retention sum	19,339,062	15,081,295	21,632,266	28,781,083
	40,356,934	57,589,968	79,252,207	102,168,905

The credit terms granted to customers ranging from cash term to 90 days (31.12.2021, 31.12.2020 and 31.12.2019: cash term to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables is an amount of RM12,662,733 and RM95,516 (31.12.2021: RM9,702,610 and RM672,250, 31.12.2020: RM3,056,918 and Nil and 31.12.2019: RM2,918,129 and RM651,737) due from a company (31.12.2021: a company, 31.12.2020 and 31.12.2019: companies) in which a Director has interest and a company in which a person connected to a Director has interest respectively. The amounts are unsecured, interest free and subject to normal trade term of 30 days.

Retention sum are due from the expiry of the defect liability period stated in the respective construction contracts. The defect liability period is 24 months and expected to be collected within 2 years after the end of the defect period.

11. OTHER RECEIVABLES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Non-trade receivables	13,265,540	14,808,199	8,659,613	126,066
Deposits	3,997,188	5,789,907	19,786,977	20,673,682
Prepayments	198,160	60,845	284,886	1,454,978
	17,460,888	20,658,951	28,731,476	22,254,726

Included in non-trade receivables is an amount of Nil (31.12.2021: RM2,041,201 and Nil, 31.12.2020: RM7,031,650 and Nil, 31.12.2019: RM3,399,361 and RM2,300,304) due from companies in which certain Directors have interest and associates respectively. The said amounts are unsecured, interest free and repayable upon demand.

Included in non-trade receivables is an amount of Nil (31.12.2021: RM2,146,895, 31.12.2020 and 31.12.2019: Nil) due from companies in which a person connected to a Director has interest. The said amount is unsecured, interest free and repayable upon demand.

Included in the non-trade receivables is an amount of Nil (31.12.2021: RM1,300,000, 31.12.2020: RM5,119,396 and 31.12.2019: RM5,068,575) representing loans provided to third parties. The said amount is unsecured, interest free and repayable upon demand.

Included in the deposits is an amount of RM19,724,444 (31.12.2021: RM18,724,444, 31.12.2020: RM5,000,000 and 31.12.2019: RM3,000,000) representing performance bond provided to customers.

12. CONTRACT ASSETS/(LIABILITIES)

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Contract assets - Construction contracts	12,604,658	6,007,016	17,082,723	18,767,690
Contract liabilities - Construction contracts	9,310,882	3,478,914	2,823,905	13,062,457

Contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date.

Contract liabilities consist of advance billing in excess of revenue recognised, typically resulting from the timing difference in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect the physical completion of the contracts.

Significant changes to contract liabilities balances during the financial years/period as follows:-

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Contract liabilities at the beginning of the year recognised as revenue	15,862,956	9,310,882	3,478,914	2,823,905

12. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

As at the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of the Group is RM629,263,929 (31.12.2021: RM669,550,905, 31.12.2020: RM163,495,406 and 31.12.2019: RM171,292,606). The Group expects to recognise this revenue over the next 12 to 24 months (31.12.2021, 31.12.2020 and 31.12.2019: 12 to 24 months).

13. ASSETS CLASSIFIED AS HELD-FOR-SALE

The net carrying amounts of the said assets are as follows:-

	Long leasehold land RM	Buildings RM	Investment in an associate RM	Total RM
At 1.1.2019	2,333,455	-	-	2,333,455
Disposal	(2,333,455)	-	-	(2,333,455)
At 31.12.2019	-	-	-	-
Transfer from investment in an associate	-	-	500,000	500,000
Transfer from property, plant and equipment	-	1,703,333	-	1,703,333
Transfer from investment properties	787,301	1,044,741	-	1,832,042
Impairment loss	(110,681)	(221,361)	-	(332,042)
At 31.12.2020	676,620	2,526,713	500,000	3,703,333
Transfer from property, plant and equipment	-	215,882	-	215,882
Transfer from right-of-use assets	112,563	-	-	112,563
Disposal	-	(1,703,333)	(500,000)	(2,203,333)
At 31.12.2021	789,183	1,039,262	-	1,828,445
Transfer from investment properties	-	3,262,018	-	3,262,018
Disposal	(789,183)	(1,039,262)	-	(1,828,445)
At 30.6.2022	-	3,262,018	-	3,262,018

FPE 30 June 2022

On 28 February 2022, the Group entered into Sale and Purchase Agreement with a purchaser to dispose of a building for a total consideration of RM470,000. The transaction has been completed on 27 July 2022.

On 15 March 2022, the Group entered into Sale and Purchase Agreement with a purchaser to dispose of a building for a total consideration of RM544,000. The transaction has been completed on 22 July 2022.

13. ASSETS CLASSIFIED AS HELD-FOR-SALE (CONT'D)

FPE 30 June 2022 (cont'd)

On 20 April 2022, the Group entered into Sale and Purchase Agreement with purchasers to dispose of buildings for a total consideration of RM2,045,000. The transaction has been completed on 3 August 2022, 24 August 2022 and 12 October 2022 respectively.

On 21 April 2022, the Group entered into Sale and Purchase Agreement with purchasers to dispose of buildings for a total consideration of RM950,000. The transaction is yet to be completed as at signing date.

FYE 31 December 2021

On 6 December 2021, the Group entered into a Sales and Purchase Agreement with a purchaser to dispose of a leasehold land and building for a total consideration of RM420,000. The transaction has been completed on 25 April 2022.

FYE 31 December 2020

On 7 December 2020, the management has agreed to find property agent to look for potential buyer to dispose a building. Subsequently, the Group entered into the Sales and Purchase Agreement on 1 June 2021 with the purchaser for a total consideration of RM1,775,000. The transaction has been completed on 18 October 2021.

On 7 December 2020, the management has agreed to find property agent to look for potential buyer to dispose a leasehold land and building. Subsequently, the Group entered into the Sales and Purchase Agreement on 9 July 2021 with the purchaser for a total consideration of RM1,500,000 and resulting impairment loss of RM332,042 is recognised in profit or loss. The transaction has been completed on 21 February 2022.

On 18 December 2020, the management has decided to dispose of its investment in an associate, Le Garden Development Sdn Bhd. Subsequently, the Group entered into Share Sales Arrangement on 6 September 2021 for a total consideration of RM500,000. The transaction has been completed on 23 November 2021.

FYE 31 December 2019

On 8 November 2018, the Group had entered into Sales and Purchase Agreement to disposed off the leasehold land. The transaction has been completed on 31 October 2019.

The above long leasehold land and buildings are pledged as security for banking facility granted to the Group as stated in Note 16 to the financial statements.

14. SHARE CAPITAL

	Number of shares				Amount			
	31.12.2019 Unit	31.12.2020 Unit	31.12.2021 Unit	30.6.2022 Unit	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Issued and fully paid with no par value:-								
Brought forward	1,750,000	1,750,000	1,750,000	1,750,100	1,750,000	1,750,000	1,750,000	1,750,100
Issued during the financial years/period	-	-	100	-	-	-	100	-
Acquisition of a subsidiary	-	-	-	(1,750,000)	-	-	-	(1,750,000)
Issuance of ordinary shares pursuant to acquisition of a subsidiary	-	-	-	774,308,600	-	-	-	46,458,516
Carried forward	1,750,000	1,750,000	1,750,100	774,308,700	1,750,000	1,750,000	1,750,100	46,458,616

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Group. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Group's residual assets.

15. MERGER DEFICIT

The merger deficit arises as and when the combination take place, it comprises the difference between the cost of merger and the nominal value of shares acquired in Vestland Resources Sdn Bhd.

The recognised merger deficit at the acquisition date is derived as follows:-

	30.6.2022 RM
Total consideration	46,458,516
Less: Nominal value of subsidiary's share capital	(1,750,000)
Merger deficit	44,708,516

Impact of the acquisition on the statements of profit or loss and other comprehensive income

In the financial year when the merger took place, the subsidiary's profits are included in the Group's profits for the full financial year, regardless of the effective date of merger.

16. BORROWINGS

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Non-current				
Secured:-				
Term loans	4,508,492	17,281,552	19,192,397	20,970,161
Current				
Secured:-				
Term loans	171,837	598,199	1,371,293	1,462,158
Bank overdraft	8,569,503	14,309,470	-	-
Revolving credit	-	-	5,542,872	20,742,922
	8,741,340	14,907,669	6,914,165	22,205,080
Total borrowings	13,249,832	32,189,221	26,106,562	43,175,241
Repayable:				
- within 1 year	8,741,340	14,907,669	6,914,165	22,205,080
- more than 1 year but less than 5 years	737,502	3,357,413	6,027,358	6,019,366
- above 5 years	3,770,990	13,924,139	13,165,039	14,950,795
	4,508,492	17,281,552	19,192,397	20,970,161
	13,249,832	32,189,221	26,106,562	43,175,241

The term loans of the Group are secured by way of:-

(a) First legal charge over the Group's shoplots, leasehold land and buildings as stated in Notes 4, 5, 6 and 13 to the financial statements;
(b) Joint and several guarantee given by Directors of the Group and a person connected to a Director;
(c) Corporate guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad; and
(d) Equitable assignment of rental proceeds.

The bank overdraft is secured by way of:-

(a) A pledge of fixed deposits of the Group; and
(b) Joint and several guarantee by Directors of the Company.

The revolving credit is secured by way of:-

(a) First legal party change over the investment properties as stated in Note 6;
(b) Charge over an Escrow account with upfront deposit;
(c) Joint and several guarantee by the Directors of the Company;
(d) Deed of assignment of contract benefits;
(e) Charge over Project Account-i opened; and
(f) Fist legal charge over the property held by a company in which Directors have interest.

The interest rates for the bank overdraft is Nil (31.12.2021: 6.35%, 31.12.2020: 6.65% and 31.12.2019: 7.97%) per annum.

The interest rates for the term loans are ranging from 0.89% to 6.49% (31.12.2021: 0.82% to 6.46%, 31.12.2020: 4.42% to 4.58% and 31.12.2019: 4.42% to 4.67%) per annum.

The interest rate for the revolving credit is ranging from 4.35% to 4.85% per annum (31.12.2021: 4.35% to 4.85%, 31.12.2020 and 31.12.2019: Nil).

17. LEASE LIABILITIES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Current	875,007	1,109,014	1,031,980	435,155
Non-current	1,301,370	923,926	1,108,959	487,811
	2,176,377	2,032,940	2,140,939	922,966

The Group has leased for the motor vehicles, machinery and equipment and store. Future minimum lease payments as at years/period end are as follows:-

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Within 1 year	979,652	1,218,594	1,112,418	466,641
More than 1 year but not later than 5 years	1,414,270	963,068	1,181,158	511,173
More than 5 years	-	-	20,824	15,376
Total undiscounted lease liabilities	2,393,922	2,181,662	2,314,400	993,190

The expenses relating to payments not included in the measurement of lease liabilities is as follows:-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Short-term leases	5,078,414	3,118,170	6,307,618	7,609,372	2,161,879

The total cash outflows for leases amounted to RM8,876,993 (31.12.2021: RM7,655,846, 31.12.2020: RM3,973,831, 31.12.2019: RM6,053,385 and unaudited 30.6.2021: RM3,516,329).

The effective interest rates for the lease liabilities are ranging from 3.95% to 13.96% (31.12.2021: 3.95% to 13.96%, 31.12.2020: 4.63% to 13.96% and 2019: 1.48% to 13.52%) per annum.

Certain lease liabilities are secured by personal guarantee from Directors of the Group.

18. TRADE PAYABLES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Trade payables	25,278,103	25,570,047	54,392,450	63,442,731
Retention sum	11,315,203	11,951,064	13,879,887	14,272,098
	36,593,306	37,521,111	68,272,337	77,714,829

The normal credit terms granted by the suppliers are cash term to 180 days (31.12.2021: cash term to 180 days, 31.12.2020 and 31.12.2019: cash term to 90 days). However, terms vary according to negotiation with the trade payables. Retention sum is repayable upon the expiry of the defect liability period stated in the respective construction contracts.

18. TRADE PAYABLES (CONT'D)

Included in the trade payables is an amount of Nil (31.12.2021: Nil, 31.12.2020: RM2,440,867 and 31.12.2019: RM2,747,412) due to companies in which certain Directors have interest. The said amount is unsecured and interest free.

Included in the trade payables is an amount of RM1,743,191(31.12.2021: RM739,249, 31.12.2020: RM534,983 and 31.12.2019: RM1,002,608) due to companies in which a person connected to a Director has interest. The said amount is unsecured and interest free.

19. OTHER PAYABLES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Non-trade payables	15,852,708	4,833,341	8,656,545	1,402,062
Accruals	4,368,620	2,641,162	1,355,658	722,980
Deposits received	411,362	90,392	10,672,589	10,572,410
	20,632,690	7,564,895	20,684,792	12,697,452

Included in the non-trade payables is an amount of RM1,125,097 (31.12.2021: RM8,306,921, 31.12.2020: RM1,412,521 and 31.12.2019: RM12,000,000) due to the developer for purchase of properties.

Included in non-trade payables is an amount of Nil (31.12.2021: Nil, 31.12.2020: RM545,910 and 31.12.2019: Nil) due to a company in which a person connected to a Director has interest. The said amount is unsecured, interest free and repayable upon demand.

Included in non-trade payables amounting to RM5,737,988 (31.12.2021: RM756,250, 31.12.2020: RM10,587,479 and 31.12.2019: Nil) were repaid by way of term loan drawdowns.

Included in the deposits received is an amount of RM10,000,000 (31.12.2021: RM10,000,000, 31.12.2020 and 31.12.2019: Nil) representing advance payment received from a customer for the project awarded.

20. AMOUNT DUE TO DIRECTORS

The amount due to Directors are non-trade in nature, unsecured, interest free and repayable upon demand.

21. REVENUE

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
Major product and service line					
Contract revenue	97,073,114	95,666,954	170,114,485	139,543,319	66,072,733
Non-contract revenue	1,634,128	1,457,386	966,555	370,533	452,230
	98,707,242	97,124,340	171,081,040	139,913,852	66,524,963
Timing and recognition					
At a point in time	1,634,128	1,457,386	966,555	370,533	452,230
Overtime	97,073,114	95,666,954	170,114,485	139,543,319	66,072,733
	98,707,242	97,124,340	171,081,040	139,913,852	66,524,963

22. PROFIT BEFORE TAX

Profit before tax has been determined after charging/(crediting), amongst other items, the following:-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
Auditors' remuneration	45,000	75,000	100,800	100,000	50,400
Directors' fee	-	-	-	38,500	-
Impairment loss on assets held-for-sale	-	332,042	-	-	-
Finance costs:					
- Bank overdraft interest	445,063	786,849	467,684	-	298,068
- Revolving credit interest	-	-	408,664	313,845	-
- Lease interest	49,886	20,649	47,590	31,109	20,385
- Term loans interest	158,098	413,901	808,526	425,940	404,082
Cost of sales:					
- Lease interest	42,748	158,789	84,885	18,539	34,477
- Domestic recourse factoring interest	21,303	-	-	-	-
Rental income	(129,600)	(139,220)	(115,131)	(68,590)	(60,800)
Interest income:					
- Fixed deposits	(49,023)	(130,110)	(32,179)	(29,735)	(4,076)
- Others	(52,919)	(47,728)	(121,740)	(112,982)	(26,091)
Loss on disposal of investment in an associate	-	639,999	-	-	-

23. TAX EXPENSE

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Tax expense:					
- Current financial years/periods	2,377,885	2,853,453	3,904,000	4,099,000	1,577,000
- (Over)/Under provision in prior financial years	(356,810)	(193,843)	-	220,278	-
	2,021,075	2,659,610	3,904,000	4,319,278	1,577,000
Deferred tax:					
- Current financial years/periods	155,000	(18,000)	58,000	29,000	24,000
- Over/(Under) recognised in prior financial years	29,000	(32,000)	(4,000)	57,000	(4,000)
	184,000	(50,000)	54,000	86,000	20,000
	2,205,075	2,609,610	3,958,000	4,405,278	1,597,000

A reconciliation of tax expense applicable to profit before tax at the statutory tax rate of the Group is as follows:-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Profit before tax	9,369,812	9,618,727	14,593,372	15,070,708	5,799,533
Tax at Malaysian statutory rate of 24%	2,248,755	2,308,494	3,502,409	3,616,970	1,391,888
Tax effect in respect of:-					
Expenses not deductible for tax purpose	530,176	1,377,375	592,812	533,003	219,520
Income not subject to tax	(211,046)	(850,416)	(133,221)	(21,973)	(10,408)
Change in first tranche of chargeable income	(35,000)	-	-	-	-
Over/(Under) recognised of deferred tax assets in prior financial years	29,000	(32,000)	(4,000)	57,000	(4,000)
(Over)/Under provision of tax expense in prior financial years	(356,810)	(193,843)	-	220,278	-
Total tax expense	2,205,075	2,609,610	3,958,000	4,405,278	1,597,000

24. EARNINGS PER SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at financial years/periods end was based on the profit attributable to common controlling shareholders of the Group by the expected number of ordinary shares of the Company upon completion of the Listing.

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Profit attributable to the common shareholders of the combining entity (RM)	7,164,737	7,009,117	10,635,372	10,665,430	4,202,533
Expected number of ordinary shares upon completion of the Listing (unit)	944,308,700	944,308,700	944,308,700	944,308,700	944,308,700
Basic earnings per share (sen)	0.76	0.74	1.13	1.13	0.45

Diluted earnings per ordinary share

Diluted earnings per share equals basic earnings per share because there are no potentially dilutive instruments in existence as at the end of each reporting years/periods.

25. DIVIDENDS

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	Unaudited 1.1.2021 to 30.6.2021 RM
In respect of the financial year ended 31 December 2019					
- First interim dividend of RM0.49 per share declared on 21 February 2019 and paid on 1 March 2019	850,000	-	-	-	-
- Second interim dividend of RM0.69 per share declared on 1 September 2019 and paid on 18 September 2019	1,200,000	-	-	-	-
- Third interim dividend of RM0.09 per share declared on 25 September 2019 and paid on 30 September 2019	150,000	-	-	-	-
- Fourth interim dividend of RM0.03 per share declared on 14 October 2020 and paid on 21 October 2019	50,000	-	-	-	-
	2,250,000	-	-	-	-

26. EMPLOYEE BENEFITS EXPENSE

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Staff costs:					
- Salaries, bonus and allowances	4,944,245	3,780,978	5,340,945	5,008,516	1,962,015
- Defined contribution plan	556,154	431,956	582,734	428,742	217,176
- Social security contribution	54,670	41,314	57,278	60,220	23,270
	5,555,069	4,254,248	5,980,957	5,497,478	2,202,461
Directors' remuneration:					
- Salaries, bonus and allowances	750,000	902,500	1,059,900	510,000	411,500
- Defined contribution plan	166,250	152,000	184,300	76,000	68,400
- Social security contribution	1,847	1,847	1,462	692	923
	918,097	1,056,347	1,245,662	586,692	480,823
	6,473,166	5,310,595	7,226,619	6,084,170	2,683,284

27. RELATED PARTY DISCLOSURES

(a) Related party transactions

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Sales to companies in which certain Directors have interest	4,298,421	5,986,042	6,860,337	2,960,123	3,009,087
Back charges for miscellaneous expenses to companies in which certain Directors have interest	65,662	121,618	-	-	-

27. RELATED PARTY DISCLOSURES (CONT'D)

(a) Related party transactions (cont'd)

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Management fees charged to companies in which certain Directors have interest	1,970	3,544	68	-	68
Rental of equipment charged by a company in which certain Directors have interest	622,575	638,266	-	-	-
Rental of crane charged by a company in which certain Directors have interest	662,926	416,825	-	-	-
Machineries services and repair expenses charged by a company in which certain Directors have interest	36,615	27,587	-	-	-
Purchases from companies in which certain Directors have interest	300,637	1,728,712	-	-	-
Payment on behalf for companies in which certain Directors have interest	3,815,276	1,011,464	2,255	-	2,255

27. RELATED PARTY DISCLOSURES (CONT'D)

(a) Related party transactions (cont'd)

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Advances to companies in which certain Directors have interest	1,465,863	545,500	-	-	-
Contribution to fit-out works received on behalf of a company in which certain Directors have interest	-	750,000	-	-	-
Advances to companies in which a person connected to a Director has interest	-	-	634,110	-	634,110
Sales to a company in which a person connected to a Director has interest	427,441	-	1,172,250	738,070	-
Back charges to companies in which a person connected to a Director has interest	19,674	22,806	43,050	-	43,050
Management fee charged to companies in which a person connected to a Director has interest	590	540	1,291	-	1,291
Purchases from companies in which a person connected to a Director has interest	333,876	1,356,202	603,811	335,872	113,190

27. RELATED PARTY DISCLOSURES (CONT'D)

(a) Related party transactions (cont'd)

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Machineries services and repair expenses charged by a company in which a person connected to a Director has interest	-	-	33,372	59,996	13,899
Rental of crane charged by a company in which a person connected to a director has interest	-	-	1,087,587	980,396	405,324
Rental of equipment charged by companies in which a person connected to a Director has interest	500,711	282,056	1,363,626	1,742,013	540,083
Rental of excavator charged by a company in which a person connected to a Director has interest	921,778	636,470	985,791	1,512,492	549,425
Management fee paid to a company in which a person connected to a Director has interest	16,980	-	-	-	-
Purchase of motor vehicle from a person connected to a Director has interest	56,000	-	-	-	-

27. RELATED PARTY DISCLOSURES (CONT'D)

(a) Related party transactions (cont'd)

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Purchase of machinery equipment from a company in which a person connected to a Director has interest	-	-	4,300	-	4,300

(b) The outstanding related party balances of the Group arising from related party transactions as at the reporting date were disclosed in Notes 10, 11, 18, 19 and 20 to the financial statements.

(c) Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

The remuneration of key management personnel of the Group other than the Board of Directors as disclosed in Note 22 and 26 are as follows:-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 30.6.2022 RM	**Unaudited** 1.1.2021 to 30.6.2021 RM
Salaries, bonus and allowance	524,450	602,450	942,200	437,400	392,400
Defined contribution plan	62,412	68,118	109,680	51,768	45,000
Social security contribution	2,770	2,770	5,617	2,770	2,770
	589,632	673,338	1,057,497	491,938	440,170

28. FINANCIAL INSTRUMENTS

28.1 Categories of financial instruments

The table below provides an analysis of financial instruments measured at amortised cost.

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Financial assets				
Trade receivables	40,356,934	57,589,968	79,252,207	102,168,905
Other receivables	17,262,728	20,598,106	28,446,590	20,799,748
Cash and cash equivalents	15,939,048	14,407,099	14,735,463	38,315,592
	73,558,710	92,595,173	122,434,260	161,284,245
Financial liabilities				
Trade payables	36,593,306	37,521,111	68,272,337	77,714,829
Other payables	20,632,690	7,564,895	20,684,792	12,697,452
Amount due to Directors	14,847	51,903	-	-
Borrowings	13,249,832	32,189,221	26,106,562	43,175,241
	70,490,675	77,327,130	115,063,691	133,587,522

28.2 Financial risk management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's business whilst managing its credit risk, liquidity risk and interest rate risk. The Group operates within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows:-

(a) **Credit risk**

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instrument is broadly diversified along industry, product and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group does not offer credit terms without the approval of the management.

The Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(a) **Credit risk (cont'd)**

Cash and cash equivalents

The credit risk for cash and cash equivalents are considered negligible since the counterparties are reputable banks with high credit rating.

Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

An impairment analysis performed at each reporting date using a provision of matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

Trade receivables ageing analysis

The following table provides information about the credit risk exposure on the Group's trade receivables using a provision of matrix:-

	Gross RM	Expected credit losses RM	Net RM
30.6.2022			
Within credit term	95,721,792	-	95,721,792
Past due 1 – 30 days	1,090,276	-	1,090,276
Past due 31 – 60 days	568,518	-	568,518
Past due 61 – 90 days	2,306,751	-	2,306,751
Past due more than 90 days	2,481,568	-	2,481,568
	102,168,905	-	102,168,905
31.12.2021			
Within credit term	77,414,789	-	77,414,789
Past due 1 – 30 days	88,420	-	88,420
Past due 31 – 60 days	997,953	-	997,953
Past due 61 – 90 days	179,437	-	179,437
Past due more than 90 days	571,608	-	571,608
	79,252,207	-	79,252,207

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(a) **Credit risk (cont'd)**

Receivables (cont'd)

Trade receivables ageing analysis (cont'd)

The following table provides information about the credit risk exposure on the Group's trade receivables using a provision of matrix (cont'd):-

	Gross RM	Expected credit losses RM	Net RM
31.12.2020			
Within credit term	50,248,800	-	50,248,800
Past due 1 – 30 days	331,963	-	331,963
Past due 31 – 60 days	954,726	-	954,726
Past due 61 – 90 days	-	-	-
Past due more than 90 days	6,054,479	-	6,054,479
	57,589,968	-	57,589,968
31.12.2019			
Within credit term	29,396,897	-	29,396,897
Past due 1 – 30 days	2,600,067	-	2,600,067
Past due 31 – 60 days	2,285,490	-	2,285,490
Past due 61 – 90 days	2,700,607	-	2,700,607
Past due more than 90 days	3,373,873	-	3,373,873
	40,356,934	-	40,356,934

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Credit risk concentration

In respect of trade receivables, the Group has significant exposure to several customers and as such a concentration of credit risks who are of high credit worthiness.

	31.12.2019 RM	%	31.12.2020 RM	%	31.12.2021 RM	%	30.6.2022 RM	%
Top 4 customers (31.12.2021: 4, 31.12.2020 and 31.12.2019: 3)	31,281,104	78	44,203,607	77	69,786,983	88	74,769,250	73

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(a) Credit risk (cont'd)

Credit risk concentration (cont'd)

The Group continuously monitors credit standing of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used.

Financial guarantees

The Group provides unsecured financial guarantees in respect of banking facilities to a customer (2021: a customer, 2020: a customer and a company in which certain Directors have interest and 2019: a company in which certain Directors have interest). The maximum exposure to credit risk was amounted to RM10,000,000 (31.12.2021: RM10,000,000, 31.12.2020: RM14,650,075, 31.12.2019: RM504,000), representing the bank guarantees in favour of certain third parties. The Group monitors on an ongoing basis the results of the customer (31.12.2021: a customer, 31.12.2020: a customer and a company in which certain Directors have interest and 31.12.2019: a company in which certain Directors have interest) and repayments made by a customer (31.12.2021: a customer, 31.12.2020: a customer and a company in which certain Directors have interest and 31.12.2019: a company in which certain Directors have interest).

As at the end of the reporting period, there was no indication that the customer (31.12.2021: a customer, 31.12.2020: a customer and a company in which certain Directors have interest and 31.12.2019: a company in which certain Directors have interest) would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was not material.

Performance bonds

Performance bonds require the Group to make payments to third parties in the event that the Group does not perform what is expected of it under the terms of any related contracts. In FYE 2019, the maximum exposure to credit risk was amounted to RM4,100,000.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due as a result of shortage of funds.

In managing its exposures to liquidity risk which arises principally from its various payables, lease liabilities and borrowings. The Group maintains a level of cash and cash equivalents 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.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

The Group aims at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

The summary of the maturity profile based on contractual undiscounted repayment obligations are as below:-

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	2 to 5 years RM	More than 5 years RM
30.6.2022					
Unsecured:-					
Trade payables	77,714,829	77,714,829	77,714,829	-	-
Other payables	12,697,452	12,697,452	12,697,452	-	-
Secured:-					
Lease liabilities	922,966	993,190	466,641	511,173	15,376
Borrowings	43,175,241	53,371,661	23,174,136	9,090,237	21,107,288
Total undiscounted cash flows	134,510,488	144,777,132	114,053,058	9,601,410	21,122,664
Financial guarantee *	-	10,000,000	10,000,000	-	-
	134,510,488	154,777,132	124,053,058	9,601,410	21,122,664
31.12.2021					
Unsecured:-					
Trade payables	68,272,337	68,272,337	68,272,337	-	-
Other payables	20,684,792	20,684,792	20,684,792	-	-
Secured:-					
Lease liabilities	2,140,939	2,314,400	1,112,418	1,181,158	20,824
Borrowings	26,106,562	34,739,910	7,846,569	8,978,509	17,914,832
Total undiscounted cash flows	117,204,630	126,011,439	97,916,116	10,159,667	17,935,656
Financial guarantee *	-	10,000,000	10,000,000	-	-
	117,204,630	136,011,439	107,916,116	10,159,667	17,935,656
31.12.2020					
Unsecured:-					
Trade payables	37,521,111	37,521,111	37,521,111	-	-
Other payables	7,564,895	7,564,895	7,564,895	-	-
Amount due to Directors	51,903	51,903	51,903	-	-
Secured:-					
Lease liabilities	2,032,940	2,181,662	1,218,594	963,068	-
Borrowings	32,189,221	44,529,431	15,708,527	6,376,142	22,444,762
Total undiscounted cash flows	79,360,070	91,849,002	62,065,030	7,339,210	22,444,762
Financial guarantee *	-	14,650,075	14,650,075	-	-
	79,360,070	106,499,077	76,715,105	7,339,210	22,444,762

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

The summary of the maturity profile based on contractual undiscounted repayment obligations are as below (cont'd):-

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	2 to 5 years RM	More than 5 years RM
31.12.2019					
Unsecured:-					
Trade payables	36,593,306	36,593,306	36,593,306	-	-
Other payables	20,632,690	20,632,690	20,632,690	-	-
Amount due to Directors	14,847	14,847	14,847	-	-
Secured:-					
Lease liabilities	2,176,377	2,393,922	979,652	1,414,270	-
Borrowings	13,249,832	15,933,865	8,946,099	1,506,384	5,481,382
Total undiscounted cash flows	72,667,052	75,568,630	67,166,594	2,920,654	5,481,382
Financial guarantee *	-	504,000	504,000	-	-
Performance bonds *	-	4,100,000	4,100,000	-	-
	72,667,052	80,172,630	71,770,594	2,920,654	5,481,382

* This exposure of liquidated risk is included for illustration purpose only as the related financial guarantee and performance bonds have not crystalised.

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of financial liabilities at the reporting date.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's fixed rate borrowings are not exposed to a risk of change in their fair value due to no changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed debt based on assessment of its existing exposure and desired interest rate profile.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

(c) Interest rate risk (cont'd)

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	30.6.2022 RM
Fixed rate instruments				
Financial asset				
Fixed deposits with a licensed bank	3,449,991	-	3,028,919	4,961,366
Financial liabilities				
Borrowings	-	1,000,000	845,229	748,279
Lease liabilities	2,176,377	2,032,940	2,140,939	922,966
	2,176,377	3,032,940	2,986,168	1,671,245
Floating rate instrument				
Financial liability				
Borrowings	13,249,832	31,189,221	25,261,333	42,426,962

The Group does not account for any fixed rate financial assets and financial liabilities through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

The following table illustrates the sensitivity of profit and equity to a reasonable possible change in interest rates of +/- 25 basis point ("bp"). These changes considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Equity/Profit for the years/period	
	+25bp **RM**	**-25bp** **RM**
30.6.2022	(106,067)	106,067
31.12.2021	(63,153)	63,153
31.12.2020	(77,973)	77,973
31.12.2019	(33,125)	33,125

28. FINANCIAL INSTRUMENTS (CONT'D)

28.3 Fair value on financial instruments

The carrying amounts of financial assets and financial liabilities, as reported in the financial statements, approximate their respective fair value.

28.4 Fair value hierarchy

No fair value hierarchy has been disclosed as the Group does not have financial instruments measured at fair value.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.5 Reconciliation of liabilities arising from financing activities

	1 January 2022 RM	Cash flows RM	Other payables RM	30 June 2022 RM
Term loans	20,563,690	(3,869,359)	5,737,988	22,432,319
Revolving credit	5,542,872	15,200,050	-	20,742,922
Lease liabilities	2,140,939	(1,217,973)	-	922,966
	28,247,501	10,112,718	5,737,988	44,098,207

	1 January 2021 RM	Cash flows RM	New lease RM	Other payables RM	Interest RM	Early termination RM	31 December 2021 RM
Amount due to Directors	51,903	(51,903)	-	-	-	-	-
Term loans	17,879,751	1,896,689	-	756,250	31,000	-	20,563,690
Revolving credit	-	5,542,872	-	-	-	-	5,542,872
Lease liabilities	2,032,940	(1,215,753)	1,395,100	-	-	(71,348)	2,140,939
Amount due to third parties	1,905,000	(1,905,000)	-	-	-	-	-
	21,869,594	4,266,905	1,395,100	756,250	31,000	(71,348)	28,247,501

28. FINANCIAL INSTRUMENTS (CONT'D)

28.5 Reconciliation of liabilities arising from financing activities (cont'd)

	1 January 2020 RM	Cash flows RM	New lease RM	Other payables RM	Interest RM	31 December 2020 RM
Amount due to Directors	14,847	37,056	-	-	-	51,903
Term loans	4,680,329	2,383,654	-	10,587,479	228,289	17,879,751
Lease liabilities	2,176,377	(676,223)	532,786	-	-	2,032,940
Amount due to third parties	3,210,380	(1,305,380)	-	-	-	1,905,000
	10,081,933	439,107	532,786	10,587,479	228,289	21,869,594

	1 January 2019 RM	Cash flows RM	New lease RM	31 December 2019 RM
Amount due to Directors	-	14,847	-	14,847
Term loans	2,186,605	2,493,724	-	4,680,329
Lease liabilities	1,295,145	(439,768)	1,321,000	2,176,377
Amount due to third parties	-	3,210,380	-	3,210,380
	3,481,750	5,279,183	1,321,000	10,081,933

29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new share capital. No changes were made in the objective, policies or processes during the financial period/years ended 30 June 2022, 31 December 2021, 31 December 2020 and 31 December 2019.

30. OPERATING SEGMENT

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, namely building construction works.

Geographical Information

The Group's operation is predominantly carried out in Malaysia.

Information about Major Customers

The followings are major customers with revenue equal or more than 10% of the Group's total revenue:

	31.12.2019		31.12.2020		31.12.2021		30.6.2022		Unaudited 30.6.2021	
	RM	%	RM	%	RM	%	RM	%	RM	%
Customer A	43,625,597	44	-	-	-	-	-	-	-	-
Customer B	22,557,097	23	57,115,624	59	72,632,799	42	26,128,610	19	34,385,521	52
Customer C	-	-	11,411,234	12	-	-	-	-	-	-
Customer D	-	-	-	-	52,418,055	31	51,164,487	37	18,025,306	27
Customer E	-	-	-	-	-	-	40,887,363	30	-	-

31. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD AND SUBSEQUENT TO THE REPORTING PERIOD

On 11 March 2020, the World Health Organisation declared the Coronavirus ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 outbreak also resulted in travel restriction, lockdown, and other precautionary measures imposed in various countries. The emergence of the Covid-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operates.

31. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)

The Malaysian Government had re-introduced the MCO and Conditional MCO ("CMCO") in several states from 13 January 2021 to 11 May 2021, nationwide MCO from 12 May 2021 to 31 May 2021, Full MCO ("FMCO") from 1 June 2021 to 28 June 2021, Enhanced MCO ("EMCO") in several stated from 3 July 2021 to 17 July 2021. Besides, the Malaysia King declared state of emergency for the country until 1 August 2021 to curb the spread of Covid-19 on 12 January 2021. In addition, the Malaysian Government had announced a four phase National Recovery Plan ("NRP") on 15 June 2021 whereby all states were considered to be in phase 1 to begin with. In March 2022, the Malaysia Government announced that the country will enter into the "Transition to Endemic" phase starting 1 April 2022, which include the opening of national borders for tourism and the abolishment of limitations to capacity and operating hours of business premises.

The restrictions imposed have not, however, negatively impacted the Group's financial performance as the Group's main construction services were allowed to operate throughout the MCO/CMCO/FMCO/EMCO/NRP, under guidelines set by the National Security Council, Ministry of Health and Ministry of International Trade and Industry respectively.

As at date of authorisation of the financial statements, the Covid-19 pandemic situation is still evolving and uncertain. The Group will continue to actively monitor and manage its funds and operations to minimise any impact arising from the Covid-19 pandemic.

VESTLAND BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, the undersigned, being the Directors of the Group, do hereby state that, in our opinion, the accompanying financial statements set out on pages 4 to 73 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position as at 31 December 2019, 31 December 2020, 31 December 2021 and 30 June 2022 and of its financial performance and cash flows for the financial years/periods then ended 31 December 2019, 31 December 2020, 31 December 2021, 30 June 2022 and 30 June 2021.

DATUK LIEW FOO HEEN	WONG SAI KIT

Kuala Lumpur
30 November 2022

15. STATUTORY AND OTHER GENERAL INFORMATION

15.1 EXTRACTS OF OUR CONSTITUTION

The following is extracted from our Constitution and is qualified in its entirety by the remainder of our Constitution and by applicable law. The words and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless otherwise defined or the context otherwise requires.

Words	Meaning
"Board Meeting"	Means a meeting of the board of directors of the Company.
"Deposited Security"	Means a security standing to the credit of a Securities Account and includes a security in a Securities Account that is in suspense.
"Depositor"	Means a holder of a Securities Account.
"General Meeting"	Means a meeting of Members of the Company.
"Member"	Means: (a) a person whose name is entered in the Register of Members as the holder for the time being of one or more shares in the Company; and/or (b) a Depositor whose name appears in the Record of Depositors as the holder for the time being of one or more shares in the Company. Shares include ordinary shares, preference shares or other type of shares that may be issued and allotted by the Company from time to time.
"Register of Members"	Means the record of members of the Company kept and maintained pursuant to Section 50 of the CA 2016.
"Security" or "Securities"	Has the meaning given in Section 2(1) of the CMSA
"Securities Account"	Means an account established by the Depository for a Depositor for the recording of deposit of Securities and for dealing in such Securities by the Depositor.
"Shareholder"	Means a holder of one or more share(s) in the Company.

15.1.1 Remuneration of directors

Clause 84 – Remuneration of Executive Directors

A Managing Director or an Executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, bonus, commission, or participation in profits, or partly in one way and partly in another and other benefits) as the Board may determine.

Clause 93 – Remuneration of directors

(1) The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors.

(2) Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting.

(3) If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

(4) The following expenses shall be determined by the Directors:

(a) traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and

(b) other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.

(5) Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover.

15.1.2 Voting and borrowing powers of our Directors

Clauses 94(1) and 94(2) – Powers of Directors

(1) The business and affairs of the Company shall be managed by or under the direction and supervision of the Directors who may pay all expenses incurred in promoting and registering the Company.

(2) The Directors may exercise all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company except any power that the CA 2016 or by the Constitution requires the Company to exercise in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

Clause 95 – Borrowing

Without limiting the generality of Clauses 94(1) and (2), the Directors may, subject to the CA 2016 and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

(1) borrow money;

(2) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;

(3) issue debentures and other Securities whether outright or as security; and/or

(4) (a) lend and advance money or give credit to any person or company;

(b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;

(c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company;

and otherwise to assist any person or company.

Clause 114 – Quorum for Board Meetings

(1) No business is to be transacted at any Board Meeting unless a quorum of Directors is present at the time when the meeting proceeds to business.

(2) 2 Directors personally present at a meeting shall constitute a quorum.

(3) In this clause, "Director" includes Alternate Director.

Clause 118 – Voting at Board Meetings

(1) Subject to the Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.

(2) Each Director is entitled to cast one vote on each matter for determination.

15.1.3 Changes to share capital

Clause 8 – Variation of Rights

(1) If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:

(a) with the consent in writing of the holders holding not less than 75% of the total voting rights of the holders of that class of shares; or

(b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.

(2) The provisions of the Constitution relating to General Meetings apply with the necessary modifications to every separate meeting of the holders of the shares of the class referred to in Clause 8(1), except that:

(a) for a meeting other than an adjourned meeting, a quorum is constituted by 2 persons present holding at least one-third of the number of issued shares of such class, excluding any shares of that class held as treasury shares;

(b) if that class of shares only has one holder, a quorum is constituted by one person present holding shares of such class; and

(c) for an adjourned meeting, a quorum is constituted by one person present holding share(s) of such class.

(3) The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:

(a) the terms of the issue of the existing preference shares; or

(b) the Constitution of the Company as in force at the time when the existing preference shares were issued.

15.1.4 Transfer of securities

Clause 14 – Transfer of Securities

The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the CA 2016, but subject to Section 148(2) of the CA 2016 and any exemption that may be made from compliance with Section 148(1) of the CA 2016, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities.

15.1.5 Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights

Clause 12 – Issue of Securities

(1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the CA 2016, the Listing Requirements and the Constitution, the Directors have the right to:

(a) issue and allot shares in the Company; and

(b) grant rights to subscribe for shares or options over unissued shares in the Company.

(2) Subject to the CA 2016, the Listing Requirements, the Constitution and the relevant Shareholders' approval being obtained, the Directors may issue any shares (including rights or options over subscription of such shares):

(a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;

(b) to any person, whether a Member or not, in such numbers or proportions as the Directors may determine; and

(c) for such consideration as the Directors may determine.

Pre-emptive rights to new shares pursuant to Section 85 of the CA 2016 shall not apply to the Company.

(3) (a) Subject to the CA 2016, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.

(b) 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, will be deemed to be declined, and, after the expiration of that 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 dispose of those shares or securities in such manner as they think most beneficial to the Company.

(c) The Directors may likewise also dispose of any new share or security 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 the Constitution.

(4) Subject to Rule 6.07 of the Listing Requirements and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the CA 2016, the Company must 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% or such threshold allowed by Bursa Securities of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are issued with the prior shareholder approval in a General Meeting of the precise terms and conditions of the issue.

15.2 LIMITATION ON THE RIGHT TO OWN SECURITIES

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to the Ministry of Finance and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

Subject to the above, there is no limitation on the right to own our Shares, including any limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares, which is imposed by Malaysian law or by our Constitution.

15.3 SHARE CAPITAL

(i) As at the date of this Prospectus, we have only one class of shares, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.

(ii) The share capital of our Company and our subsidiary as at the date of this Prospectus and the changes in their respective share capital for the Financial Years Under Review are as set out in Sections 6.1.2 and 6.3.3 of this Prospectus respectively.

(iii) Save as disclosed in Sections 6.1.2 and 6.1.3 of this Prospectus, there were no Shares which has been paid for with assets other than cash within the past 3 years from the date of this Prospectus.

(iv) Save for the issuance of our Shares upon our incorporation and the Acquisition as disclosed in Section 6.1.2 as well as new Shares to be issued pursuant to the Public Issue, no shares, stocks or debentures of our Company and our subsidiary have been issued or proposed to be issued as fully or partly paid-up in cash or otherwise, within the 2 years preceding the date of this Prospectus.

(v) None of the share capital of our Company is under option, or agreed conditionally or unconditionally to be put under option as at the date of this Prospectus.

(vi) As at the date of this Prospectus, neither our Company nor our subsidiary have any outstanding warrant, option, convertible security or uncalled capital in respect of our shares.

(vii) As at the date of this Prospectus, save for the Pink Form Allocations as disclosed in Section 4.2.1 of this Prospectus:

(a) there is currently no scheme involving employees of our Group in the shares of our Company or our subsidiary; and

(b) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any shares of our Company or our subsidiary.

15.4 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by our Group during the Financial Years and Period Under Review up to the date of this Prospectus:

(i) The Underwriting Agreement.

(ii) Share sale agreement dated 20 April 2022 entered into between Datuk Liew and SK Wong (as vendors) and Vestland (as purchaser) in respect of the Acquisition. The Acquisition as contemplated under the share sale agreement has been completed in accordance with its terms on 20 April 2022.

(iii) Share sale agreement dated 6 September 2021 entered into between Vestland Resources (as vendor) and Fong Sui Leong (as purchaser) for the disposal of 500,000 ordinary shares in Le Garden Development Sdn Bhd for a cash consideration of RM500,000.00. The share sale agreement has been completed in accordance with its terms on 29 October 2021.

(iv) Sale and purchase agreement dated 9 July 2021 entered into between Vestland Resources (as vendor) and Chang Kok Meng (as purchaser) for the disposal of all that piece of land held under H.S.(D) No. 29989, PT No. 43719, Mukim of Dengkil, District of Sepang, State of Selangor, with a three-storey semi-detached house erected thereon, bearing postal address of No. 20, Persiaran Selatan, D'Island Residence, 47130 Puchong, Selangor, measuring approximately 341 square metres in area, for a cash consideration of RM1,500,000.00. The sale and purchase agreement has been completed in accordance with its terms on 1 January 2022.

(v) Sale and purchase agreement dated 1 June 2021 entered into between Vestland Resources (as vendor) and Nur Farhana binti Mohd Fikri (as purchaser) for the disposal of a unit of condominium together with accessory parcels held under Geran 63454/M1/23/186, Bangunan No. M1, Tingkat No. 23, Petak No. 186, Lot 29510, Mukim of Kuala Lumpur, District and State of Wilayah Persekutuan Kuala Lumpur, bearing postal address of 22-L, Sinaran TTDI, Jalan Tun Mohd Fuad 4, Taman Tun Dr Ismail, 60000 Wilayah Persekutuan Kuala Lumpur, measuring approximately 2,287 sq. ft. in area, for a cash consideration of RM1,775,000.00. The sale and purchase agreement has been completed in accordance with its terms on 22 October 2021.

(vi) 8 sale and purchase agreements all dated 31 May 2019 entered into between Sg. Besi Construction Sdn. Bhd. (as vendor) and Vestland Resources (as purchaser) for the purchase of the following properties together with accessory parcels to be satisfied entirely via cash:

(a) a parcel of shop distinguished as Parcel No. 1-1, Type Shop-B, Level No. 1, measuring approximately 1,223 sq. ft. in area, for consideration of RM1,554,385.00;

(b) a parcel of shop distinguished as Parcel No. 2-1, Type Shop-C, Level No. 2, measuring approximately 2,278 sq. ft. in area, for consideration of RM2,227,115.00;

(c) a parcel of shop distinguished as Parcel No. 3-1, Type Shop-C, Level No. 3, measuring approximately 2,278 sq. ft. in area, for consideration of RM2,672,538.00;

(d) a parcel of shop distinguished as Parcel No. G-2, Type A3, Level No. Ground Floor, measuring approximately 1,278 sq. ft. in area, for consideration of RM1,982,304.00;

(e) a parcel of shop distinguished as Parcel No. 1-2, Type B3B, Level No. First Floor, measuring approximately 1,163 sq. ft. in area, for consideration of RM1,172,553.00;

(f) a parcel of shop distinguished as Parcel No. 2-2, Type C3B, Level No. Second Floor, measuring approximately 1,521 sq. ft. in area, for consideration of RM1,179,610.00;

(g) a parcel of shop distinguished as Parcel No. 3-2, Type C3B, Level No. Third Floor, measuring approximately 1,521 sq. ft. in area, for consideration of RM1,415,533.00; and

(h) a parcel of shop distinguished as Parcel No. G-1, Type Shop-A, Level No. G, measuring approximately 1,299 sq. ft. in area, for consideration of RM2,920,962.00,

all of which are being developed on a parcel of freehold land held under master title of Geran 335450, Lot 74612, Bandar Glenmarie, District of Petaling, State of Selangor. As at the date of this Prospectus, all of the 8 sale and purchase agreements have been completed in accordance with their terms on 2 November 2022.

(vii) 10 sale and purchase agreements all dated 23 September 2021 entered into between Sg. Besi Construction Sdn. Bhd. (as vendor) and Vestland Resources (as purchaser) for the purchase of the following properties together with accessory parcels to be satisfied entirely via cash:

(a) a parcel of office suite distinguished as Parcel No. N-20-3 Type D1, Level No. 20, measuring approximately 823 sq. ft. in area, for consideration of RM714,190.00;

(b) a parcel of office suite distinguished as Parcel No. N-20-3B Type B, Level No. 20, measuring approximately 1,006 sq. ft. in area, for consideration of RM869,740.00;

(c) a parcel of office suite distinguished as Parcel No. N-20-5 Type B1, Level No. 20, measuring approximately 1,006 sq. ft. in area, for consideration of RM869,740.00;

(d) a parcel of office suite distinguished as Parcel No. N-20-6 Type D, Level No. 20, measuring approximately 823 sq. ft. in area, for consideration of RM714,190.00;

(e) a parcel of office suite distinguished as Parcel No. N-20-7 Type A1, Level No. 20, measuring approximately 1,173 sq. ft. in area, for consideration of RM1,011,690.00;

(f) a parcel of office suite distinguished as Parcel No. N-20-8 Type D3, Level No. 20, measuring approximately 823 sq. ft. in area, for consideration of RM717,850.00;

(g) a parcel of office suite distinguished as Parcel No. N-20-9 Type D2, Level No. 20, measuring approximately 823 sq. ft. in area, for consideration of RM717,850.00;

(h) a parcel of office suite distinguished as Parcel No. N-20-10 Type D3, Level No. 20, measuring approximately 823 sq. ft. in area, for consideration of RM717,850.00;

(i) a parcel of office suite distinguished as Parcel No. N-20-11 Type D2, Level No. 20, measuring approximately 823 sq. ft. in area, for consideration of RM717,850.00; and

(j) a parcel of office suite distinguished as Parcel No. N-20-12 Type E, Level No. 20, measuring approximately 684 sq. ft. in area, for consideration of RM599,700.00,

all of which are being developed on a parcel of freehold land held under master title of Geran 335450, Lot 74612, Bandar Glenmarie, District of Petaling, State of Selangor. As at the date of this Prospectus, all of the 10 sale and purchase agreements have been completed in accordance with their terms on 2 November 2022.

(viii) 2 sale and purchase agreements both dated 19 January 2022 entered into between Sg. Besi Construction Sdn. Bhd. (as vendor) and Vestland Resources (as purchaser) for the purchase of the following properties together with accessory parcels to be satisfied entirely via cash:

(a) a parcel of office suite distinguished as Parcel N-20-1 Type A, Level No. 20, measuring approximately 1,173 sq. ft. in area, for consideration of RM1,011,690.00; and

(b) a parcel of office suite distinguished as Parcel N-20-2 Type D, Level No. 20, measuring approximately 823 sq. ft. in area, for consideration of RM714,190.00,

all of which are being developed on a parcel of freehold land held under master title of Geran 335450, Lot 74612, Bandar Glenmarie, District of Petaling, State of Selangor. As at the date of this Prospectus, both of the sale and purchase agreements have been completed in accordance with their terms on 2 November 2022.

(ix) 2 sale and purchase agreements both dated 11 September 2019 entered into between Equal Sign Sdn. Bhd. (as vendor), Vestland Resources (as purchaser) and Triple Equity Sdn. Bhd. (as proprietor) for the purchase of the following properties together with accessory parcels, which forms part of the contra payment mainly for retention sums of our projects:

(a) a unit of service apartment known as Parcel No. T2-07-08, within Storey No. Level 7, Building No. Tower 2, bearing postal address of T2-07-08 Midhills, Jalan Jaya Permai, Genting Highland, 69000 Genting Highland, Pahang, measuring approximately 999 sq. ft. in area, in a mixed development known as 'Midhills, Genting Highlands, Pahang' ("**T2-07-08 Midhills**") for consideration of RM857,900.00; and

(b) a unit of service apartment known as Parcel No. T3-09-08, within Storey No. Level 9, Building No. Tower 3, bearing postal address of T3-09-08 Midhills, Jalan Jaya Permai, Genting Highland, 69000 Genting Highland, Pahang, measuring approximately 999 sq. ft. in area, in a mixed development known as 'Midhills, Genting Highlands, Pahang' ("**T3-09-08 Midhills**") for consideration of RM901,900.00,

all of which are being developed on a parcel of leasehold land held under master title of PM 1174, Lot 11844, Tempat Genting Highland, Mukim of Bentong, District of Bentong, State of Pahang. Both of the sale and purchase agreements have been completed in accordance with their terms on 11 September 2019.

(x) Sale and purchase agreement dated 15 March 2022 entered into between Vestland Resources (as vendor) and Voo Ket Chung and Ng Ching Ching (as purchasers) for the disposal of T2-07-08 Midhills (together with accessory parcel) for a cash consideration of RM544,000.00[(a)]. The sale and purchase agreement has been completed in accordance with its terms on 28 June 2022.

(xi) Sale and purchase agreement dated 23 March 2022 entered into between Vestland Resources (as vendor) and David Lim (as purchaser) for the disposal of T3-09-08 Midhills (together with accessory parcel) for a cash consideration of RM550,000.00[(b)]. The sale and purchase agreement has been completed in accordance with its terms on 17 June 2022.

(xii) Sale and purchase agreement dated 28 February 2022 entered into between Vestland Resources (as vendor) and Leong Boon Tik (as purchaser) for the disposal of a parcel of service apartment known as Parcel No. T3-09-05, within Storey No. 9, Building No. Tower 3, together with accessory parcel, held under PM1174/M1(Menara C)/10/592, Lot 11844, Mukim of Bentong, District of Bentong, State of Pahang, bearing postal address of T3-09-05, Midhills, Jalan Jaya Permai, Genting Highland, 69000 Genting Highland, Pahang, measuring approximately 550 sq. ft. in area, for a cash consideration of RM470,000.00. The sale and purchase agreement has been completed in accordance with its terms on 1 August 2022.

(xiii) Sale and purchase agreement dated 6 December 2021 entered into between Vestland Resources (as vendor) and Suhaida Binti Osman (as purchaser) for the disposal of a parcel of leasehold land held under H.S.(D) No. 17209, PT No. 23435, Mukim of Tanjung Duabelas, District of Kuala Langat, State of Selangor, with a double-storey terrace house erected thereon, bearing postal address of No. 61, Jalan SP 8/13, Bandar Saujana Putra, 42610 Lebuhraya Elite, Selangor, measuring approximately 92 square metres in area for a cash consideration of RM420,000.00. The sale and purchase agreement has been completed in accordance with its terms on 25 April 2022.

(xiv) Sale and purchase agreement dated 20 April 2022 entered into between Vestland Resources (as vendor) and Cheah Kai Pheng and Tan Hooi Cheng (as purchasers) for the disposal of a unit of apartment together with accessory parcels held under Pajakan Negeri 52416/M1/11/83, No. Bangunan M1, No. Tingkat 11, Petak No. 83, Lot No. 80947, Mukim of Batu, District and State of Kuala Lumpur, bearing postal address of 10-3, Residensi 333 Kepong, 8, Jalan Vista Mutiara 1, 52000 Kuala Lumpur, measuring approximately 85 square metres in area, for a cash consideration of RM635,000.00. The sale and purchase agreement has been completed in accordance with its terms on 12 October 2022.

(xv) Sale and purchase agreement dated 21 April 2022 entered into between Vestland Resources (as vendor) and Choo Kah Hong and Ng Chee Kai (as purchasers) for the disposal of a unit of 3-storey shop office held under Pajakan Negeri 20191/M1/2/2, Bangunan No. M1, Tingkat No. 2, Petak No. 2, Lot 48024, Pekan Baru Sungai Buloh, District of Petaling, State of Selangor, bearing postal address of No. 21-1, Pusat Perdagangan Seri Utama, Jalan Sepah Puteri 5/1B, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor, measuring approximately 1,718.37 sq. ft. in area, for a cash consideration of RM500,000.00. As at the date of this Prospectus, the sale and purchase agreement has yet to be completed in accordance with its terms. The balance purchase price is currently pending release by the purchasers' financier to Vestland Resources. The sale and purchase agreement is expected to be completed in the first quarter of 2023.

(xvi) Sale and purchase agreement dated 21 April 2022 entered into between Vestland Resources (as vendor) and Choo Kah Hong and Ng Chee Kai (as purchasers) for the disposal of a unit of 3-storey shop office held under Pajakan Negeri 20191/M1/3/3, Bangunan No. M1, Petak No. 3, Tingkat No. 3, Lot 48024, Pekan Baru Sungai Buloh, District of Petaling, State of Selangor, bearing postal address of No. 21-2, Pusat Perdagangan Seri Utama, Jalan Sepah Puteri 5/1B, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor, measuring approximately 1,718.37 sq. ft. in area, for a cash consideration of RM450,000.00. As at the date of this Prospectus, the sale and purchase agreement has yet to be completed in accordance with its terms. The balance purchase price is currently pending release by the purchasers' financier to Vestland Resources. The sale and purchase agreement is expected to be completed in the first quarter of 2023.

(xvii) Sale and purchase agreement dated 20 April 2022 entered into between Vestland Resources (as vendor) and Chye Sook Tien (as purchaser) for the disposal of a unit of service apartment together with accessory parcel held under Pajakan Negeri 51392/M1/20/272, Bangunan No. M1, Tingkat No. 20, Petak No. 272, Lot 101217, Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, bearing postal address of S-19-01, Pearl Suria @ Menara Pearl Point 2, Jalan Sepadu, Off Jalan Klang Lama, 58200 Kuala Lumpur, measuring approximately 102 square metres in area, for a cash consideration of RM750,000.00. The sale and purchase agreement has been completed in accordance with its terms on 3 August 2022.

(xviii) Sale and purchase agreement dated 20 April 2022 entered into between Vestland Resources (as vendor) and Yong Lai Yin (as purchaser) for the disposal of a unit of service apartment together with accessory parcel held under Pajakan Negeri 51392/M1/20/271, Bangunan No. M1, Tingkat No. 20, Petak No. 271, Lot 101217, Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, bearing postal address of S-19-02, Pearl Suria @ Menara Pearl Point 2, Jalan Sepadu, Off Jalan Klang Lama, 58200 Kuala Lumpur, measuring approximately 102 square metres in area, for a cash consideration of RM660,000.00. The sale and purchase agreement has been completed in accordance with its terms on 24 August 2022.

Notes:

(a) For information purposes, the net acquisition price of the said property is RM604,504.00 which was derived after deducting the rebate that was accorded of RM253,396.00 from the original price as stated in the sale and purchase agreement. Our Group had decided to dispose the said property, albeit at a price lower than the acquisition price after taking into consideration that there is a ready buyer for the property and that such disposal will allow our Group to free up the financial resources that are otherwise tied up in fixed assets to be utilised for our Group's operations.

(b) For information purposes, the net acquisition price of the said property is RM609,444.00 which was derived after deducting the rebate that was accorded of RM292,456.00 from the original price as stated in the sale and purchase agreement. Our Group had decided to dispose the said property, albeit at a price lower than the acquisition price after taking into consideration that there is a ready buyer for the property and that such disposal will allow our Group to free up the financial resources that are otherwise tied up in fixed assets to be utilised for our Group's operations.

15.5 PUBLIC TAKE-OVER OFFERS

During the last financial year and up to the LPD, there were no:

(i) public take-over offers by third parties in respect of our Shares; and

(ii) public take-over offers by us in respect of any other company's shares.

15.6 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT

As at the LPD, our Group has not established any other place of business outside of Malaysia and we do not transact with any foreign customers or suppliers. As such, there are no governmental laws, decree, regulation or other requirement which may affect the repatriation of capital and the remittance of profit by or to our Group.

15.7 CONSENTS

(i) The written consents of our Principal Adviser, Sponsor, Placement Agent and Underwriter, Solicitors, Issuing House, Share Registrar and Company Secretaries as set out in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names and all references thereto 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 consent of the Auditors and Reporting Accountants for the inclusion in this Prospectus of its name, the Accountants' Report, Reporting Accountants' Assurance Report on Compilation of Pro Forma Statements of Financial Position as at 30 June 2022 and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and have not subsequently been withdrawn.

(iii) The written consent of the IMR for the inclusion in this Prospectus of its name, the IMR Report and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and has not subsequently been withdrawn.

15.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan during office hours for a period of 6 months from the date of this Prospectus:

(i) our Constitution;

(ii) the material contracts referred to in Section 15.4 of this Prospectus;

(iii) the Reporting Accountants' Assurance Report on Compilation of Pro Forma Statements of Financial Position as at 30 June 2022 and the Accountants' Report as included in Sections 13 and 14 respectively, of this Prospectus;

(iv) the IMR Report as included in Section 8 of this Prospectus;

(v) the letters of consent as included in Section 15.7 of this Prospectus;

(vi) our audited financial statements for the period from our incorporation up to 31 December 2021 and for the FPE 2022; and

(vii) the audited financial statements of Vestland Resources for the FYE 2019, FYE 2020 and FYE 2021.

15.9 RESPONSIBILITY STATEMENTS

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

AmInvestment Bank, being our Principal Adviser, Sponsor, Placement Agent and Underwriter, 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.

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES 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.

16.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 27 December 2022

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 16 January 2023

In the event of any changes to the dates and/or time stated above, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATION

All Applications must accord with this Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

16.2.1 Application for our IPO Shares by the Malaysian Public and Eligible Persons

Types of application and category of investors	Application method
Applications by the Eligible Persons	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

The Eligible Persons who have made applications using the Pink Application Form may still apply for our IPO Shares allocated to the Malaysian Public using the White Application Form or through the Electronic Share Application or the Internet Share Application.

16.2.2 Application for our IPO Shares by Bumiputera investors approved by the MITI and selected investors

Types of Application	Application method
Applications by Bumiputera investors approved by MITI	The MITI will contact the Bumiputera investors directly. They should follow the MITI's instructions.
Applications by selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.

Bumiputera investors approved by the MITI and selected investors may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form or through the Electronic Share Application or the Internet Share Application.

16.3 ELIGIBILITY

16.3.1 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 Section 12 of the Detailed Procedures for Application and Acceptance ("**Detailed Procedures**") accompanying the electronic copy of this 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.

16.3.2 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

(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 the Applications by using only one of the following methods:

(a) White Application Form;

(b) Electronic Share Application; or

(c) Internet Share Application.

16.3.3 Application by the Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation. The applicants must follow the notes and instructions in those documents and where relevant, of this Prospectus.

16.4 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 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 printed on it or which are illegible will not be accepted.

The FULL amount payable is RM0.33 for each IPO Share.

Payment must be made out in favour of **"TIIH SHARE ISSUE ACCOUNT NO 731"** 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
(Registration No. 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) or **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Tricor 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 16 January 2023 or by such other time and date specified in any change to the date or time for closing of the applications for our IPO Shares.

We, together with our 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.

16.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Applications.

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.

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.

16.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of the Internet Share Application.

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 Bhd, 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.

16.7 AUTHORITY OF OUR BOARD AND OUR ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

(i) reject the Applications which:

(a) do not conform to the instructions of this 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 16.9 of this Prospectus.

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.

16.8 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.

The basis of allocation of Shares and the balloting results in connection therewith will be furnished by the Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website (https://tiih.online) within one market day after the balloting event.

Pursuant to the Listing Requirements a minimum of 25% of our enlarged issued Shares are required to be held by a minimum number of 200 public shareholders holding not less than 100 Shares each upon our Listing and completion of our IPO. We expect to achieve this at the point of our Listing. In the event that this public spread requirement is not met, our Company may not be permitted to proceed with our Listing. In such event, 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 clawback and reallocation provisions as set out in Sections 4.2.1 and 4.2.2 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Underwriters based on the terms of the Underwriting Agreement.

16.9 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:

16.9.1 For applications by way of Application Forms

(i) The Application monies or the balance of it, as the case may be, will be 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).

16.9.2 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 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.

(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.

16.10 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 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 this 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.

16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Modes of Application	Parties to direct the enquiries
Application Forms	Issuing House Enquiry Services at telephone no. +603 - 2783 9299
Electronic Share Applications	Participating Financial Institution
Internet Share Applications	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, 1 Market Day after the balloting date.

You may also check the status of your application at the above website, 5 Market Days after the balloting 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 accompanying the electronic copy of this Prospectus on the website of Bursa Securities.

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