NOT FOR PUBLICATION OR DISTRIBUTION OUTSIDE MALAYSIA.

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF MR D.I.Y. GROUP (M) BERHAD ("MDGM" OR "COMPANY") DATED 6 OCTOBER 2020 ("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 the website of Bursa Malaysia Securities Berhad ("**Bursa Securities**") at www.bursamalaysia.com ("**Website**").

Availability and Location of Printed Prospectus

Any applicant may immediately request for a paper/printed copy of the Prospectus directly from the Company or the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus, subject to availability, from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective applicants should note that the application forms are not available in electronic format.

Jurisdictional Disclaimer

The IPO and the distribution of the Electronic Prospectus are subject to the laws of Malaysia. The Electronic Prospectus will not be distributed outside Malaysia. Bursa Securities, the Company, the Promoters, the Selling Shareholders, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters named in the Electronic Prospectus 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. The Electronic Prospectus may not be used for the purpose of and does not constitute an offer for the subscription or purchase of, or an invitation to subscribe for or purchase, the IPO Shares to any person outside Malaysia or 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 applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves, and to observe such restrictions.

This document is not an offer for sale of the IPO Shares in the United States or anywhere other than Malaysia. The IPO Shares may not be offered or sold in or into the United States unless under an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act of 1933, as amended, and any applicable state securities laws. The Company does not intend to register any portion of the offering in the United States or to conduct a public offering of its securities in the United States or in any other jurisdiction where such an offering is restricted or prohibited.

Close of Application

Applications for the IPO Shares offered under the Retail Offering will open at 10.00 a.m. on 6 October 2020 and will close at 5.00 p.m. on 14 October 2020. Any change to the timetable will be advertised by MDGM in 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, being the stock exchange the Company is seeking listing on. 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 as provided by the Company to Bursa Securities, 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.

MR.D.I.Y.

Always Low Prices

MR D.I.Y. GROUP (M) BERHAD

Lot 1907, Jalan KPB 11
Kawasan Perindustrian Balakong
43300 Seri Kembangan, Selangor

Careline : +603-8961 1338
Email : investor.query@mrdiy.com

MR DIY mrdiy.com

* The real estate properties depicted on this page are not owned by the MDGM Group

MR.D.I.Y. Always Low Prices

MR D.I.Y. GROUP (M) BERHAD
(Company No.: 201001034084 (918007-M))
(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

PROSPECTUS
THIS PROSPECTUS IS DATED
6 OCTOBER 2020

P R O S P E C T U S

THIS PROSPECTUS IS DATED 6 OCTOBER 2020

MR.D.I.Y.

Always Low Prices

MR D.I.Y. GROUP (M) BERHAD

(Company No.: 201001034084 (918007-M))
(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

INITIAL PUBLIC OFFERING (**"IPO"**) OF UP TO 941,490,000 ORDINARY SHARES (**"IPO SHARES"**) IN MR D.I.Y. GROUP (M) BERHAD (**"MDGM"**) IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ORDINARY SHARES IN MDGM (**"SHARES"**) ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING AN OFFER FOR SALE OF UP TO 753,090,000 EXISTING SHARES (**"OFFER SHARES"**) AND A PUBLIC ISSUE OF 188,400,000 NEW SHARES (**"ISSUE SHARES"**) INVOLVING:

(I) INSTITUTIONAL OFFERING OF UP TO 779,958,000 IPO SHARES TO MALAYSIAN AND FOREIGN INSTITUTIONAL AND SELECTED INVESTORS, INCLUDING BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY, MALAYSIA, AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING (**"INSTITUTIONAL PRICE"**); AND

(II) RETAIL OFFERING OF 161,532,000 ISSUE SHARES TO THE DIRECTORS OF MDGM, ELIGIBLE EMPLOYEES OF MDGM AND ITS SUBSIDIARIES (**"GROUP"**) AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF THE GROUP AND THE MALAYSIAN PUBLIC AT THE RETAIL PRICE OF RM1.60 PER ISSUE SHARE (**"RETAIL PRICE"**), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND THE FINAL RETAIL PRICE (AS DEFINED IN THIS PROSPECTUS) IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS. THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF:

(A) THE RETAIL PRICE OF RM1.60 PER ISSUE SHARE; OR

(B) THE INSTITUTIONAL PRICE.

Joint Principal Advisers, Joint Global Coordinators, Joint Bookrunners, Joint Managing Underwriters and Joint Underwriters (in alphabetical order)

CIMB Investment Bank Berhad
(Company No. 197401001266 (18417-M))

Maybank Investment Bank Berhad
(Company No. 197301002412 (15938-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Global Coordinators and Joint Bookrunners (in alphabetical order)

Credit Suisse Securities (Malaysia) Sdn Bhd
(Company No. 199901024709 (499609-H))
Credit Suisse (Singapore) Limited
(Company Registration No.: 197702363D)

JPMorgan Securities (Malaysia) Sdn Bhd
(Company No. 197401001095 (18146-X))
J.P. Morgan Securities plc
(Company Registration No.: 2711006)

Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter

RHB Investment Bank Berhad
(Company No. 197401002639 (19663-P))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Bookrunner

UBS Securities Malaysia Sdn Bhd
(Company No. 199201022321 (253825-X))
UBS AG, Singapore Branch
(Company Registration No.: S98FC5560C)

Joint Underwriters (in alphabetical order)

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

Hong Leong Investment Bank Berhad
(Company No. 197001000928 (10209-W))
(A Participating Organisation of Bursa Malaysia Securities Berhad)
(A Trading Participant of Bursa Malaysia Derivatives Berhad)

Kenanga Investment Bank Berhad
(Company No. 197301002193 (15678-H))
(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.

THE SECURITIES COMMISSION MALAYSIA (**"SC"**) HAS APPROVED THE ISSUE, OFFER OR INVITATION FOR THE OFFERING UNDER SECTION 214(1) OF THE CAPITAL MARKETS AND SERVICES ACT, 2007.

THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC. THE APPROVAL, AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED, OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

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

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

FOR INFORMATION CONCERNING THE RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 47.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA

All defined terms used in this Prospectus are defined under "Presentation of Financial and Other Information" and "Definitions" commencing on pages viii and xii of this Prospectus, respectively.

RESPONSIBILITY STATEMENTS

Our Directors, the Promoters and the Selling Shareholders 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 that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

CIMB and Maybank IB, being the Joint Principal Advisers, the Joint Global Coordinators and the Joint Bookrunners for the Institutional Offering, and the Joint Managing Underwriters and the Joint Underwriters for the Retail Offering, acknowledge that, based on all available information, and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

It is to be noted that the role of RHB IB in our IPO is limited to being a Joint Global Coordinator and Joint Bookrunner for the Institutional Offering both within Malaysia and outside of Malaysia, and Joint Managing Underwriter and Joint Underwriter for the Retail Offering.

It is also to be noted that the role of Credit Suisse and J.P. Morgan in our IPO is limited to being the Joint Global Coordinators and the Joint Bookrunners for the Institutional Offering both within Malaysia and outside of Malaysia. Furthermore, the role of UBS in our IPO is limited to being a Joint Bookrunner for the Institutional Offering both within Malaysia and outside of Malaysia. None of them has any role in, and each of them disclaims any responsibility for the Retail Offering in Malaysia.

It is also to be noted that the role of AmIB, HLIB and Kenanga IB in our IPO is limited to being the Joint Underwriters for the Retail Offering.

Our Company has obtained the approval of Bursa Securities for our Listing. 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.

This Prospectus, together with the Application Forms, have also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

OTHER STATEMENTS

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the 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 this Prospectus or the conduct of any other person in relation to our Company.

Our Shares listed on Bursa Securities 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 SAC. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the SAC. The new status is 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 Joint Managing Underwriters and the Joint Underwriters named in this Prospectus to underwrite our Shares under the Retail Offering as an indication of the merits of our Shares being offered.

This Prospectus has been prepared in the context of an IPO under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia.

This Prospectus is published solely in connection with our IPO. Our Shares are being offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, the Promoters, the Selling Shareholders, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, the Promoters, the Selling Shareholders, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters or any of their respective directors, or any other persons involved in our IPO.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. This Prospectus will not be distributed outside Malaysia except insofar as it is part of the offering memorandum distributed to foreign institutional investors outside Malaysia in connection with our IPO. Our Company, the Promoters, the Selling Shareholders, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters have not authorised and take no responsibility for the distribution of this Prospectus outside Malaysia except insofar as it is part of the offering memorandum distributed to foreign institutional investors outside Malaysia in connection with our IPO. No action has been taken to permit any offering of our Shares based on this Prospectus in any jurisdiction other than Malaysia. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase of our 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. The distribution of this Prospectus and the offering of our Shares in certain other jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves and to observe such restrictions.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not be deemed to accept any liability whether or not any enquiry or investigation is made in connection to it.

It will be your sole responsibility to ensure that your application for our IPO 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 subject. We will further assume that you had accepted our IPO in Malaysia and will be subject to the laws of Malaysia in connection with it.

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

It will be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither we nor the Promoters, the Selling Shareholders, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters nor any other advisers in relation to our IPO will accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

Our Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered, sold or delivered within the United States, or to U.S. persons (as defined in Regulation S under the U.S. Securities Act), unless pursuant to an exemption from, or a transaction not subject to, the registration requirements under the U.S. Securities Act. Our Shares are being offered and sold outside the United States in reliance on Regulation S and within the United States only to QIBs in reliance on Rule 144A under the U.S. Securities Act.

Our Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any State Securities Commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of our IPO or confirmed the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

ELECTRONIC PROSPECTUS/INTERNET SHARE APPLICATION

This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com.

The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same. You may obtain a copy of the Electronic Prospectus from the website of CIMB Bank Berhad at www.cimbclicks.com.my, CGS-CIMB Securities Sdn Bhd at www.eipocimb.com, Malayan Banking Berhad at www.maybank2u.com.my and RHB Bank Berhad at www.rhbgroup.com.

The internet is not a fully secure medium. Your Internet Share Application may be subject to risks of data transmission, computer security threats including 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 doubt 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 the Prospectus registered with the SC will prevail.

In relation to any reference in this Prospectus to third-party internet sites ("**Third-Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third-Party Internet Sites, you acknowledge and agree that:

(i) we 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, file 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 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, file or other material provided by such parties; and

(iii) any data, information, file or other material downloaded from the Third-Party Internet Sites is done at your own discretion and risk. We are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, file or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institution, you are advised that:

(a) the Internet Participating Financial Institution is 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 Institution which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institution is not responsible for the integrity of the contents of the Electronic Prospectus which has been obtained from the web server of the Internet Participating Financial Institution and subsequently communicated or disseminated in any manner to you or other parties;

(b) 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 secure medium; and

(c) the Internet Participating Financial Institution is 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 Institution, 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.

INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative times and dates:

Event	Date
Opening of the Institutional Offering[(1)]	6 October 2020
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., 6 October 2020
Closing of the Retail Offering	5:00 p.m., 14 October 2020
Closing of the Institutional Offering	14 October 2020
Price Determination Date	14 October 2020
Balloting of applications for our Issue Shares under the Retail Offering	16 October 2020
Allotment/Transfer of our IPO Shares to successful applicants	23 October 2020
Listing	26 October 2020

Note:

(1) Other than the Institutional Offering to the Cornerstone Investors. The Master Cornerstone Placement Agreement for the acquisition of our IPO Shares by the Cornerstone Investors was entered into on 23 September 2020.

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

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to "our Company" or "MDGM" are to Mr D.I.Y. Group (M) Berhad. All references to "MDGM Group" or "our Group" are to our Company and our subsidiaries taken as a whole. All references to "we", "us", "our" and "ourselves" are to our Company and where the context otherwise requires, our Group. All references to "you" are to our prospective investors.

All references to "Government" are to the Government of Malaysia. Any discrepancies in the tables between the amounts listed and the total amount in this Prospectus are due to rounding adjustments. Other abbreviations and acronyms used in this Prospectus are defined in the "Definitions" section. Words denoting the singular will, where applicable, include the plural and *vice versa* and words denoting the masculine gender will, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons will, where applicable, include companies and corporations.

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

Any reference to a date and time shall be a reference to a date and time in Malaysia, unless otherwise stated. All references to the LPD in this Prospectus are to 6 September 2020, being the latest practicable date prior to the registration of this Prospectus with the SC.

The information on our website or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on those information for the purposes of your decision whether or not to invest in our Shares. This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding the growth and performance of the industry in which we operate and our estimated market share. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us or is extracted from the IMR Report included in Section 8 of this Prospectus. We have appointed Frost & Sullivan to provide an independent market and industry review. In compiling its data for the review, Frost & Sullivan relied on its research methodology, industry sources, published materials, its private databanks and direct contacts within the industry.

Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We cannot give any assurance that the projected figures will be achieved and you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

We had early adopted MFRS 16 Leases in FYE 31 December 2018 and accordingly, the comparative financial information for FYE 31 December 2017 have been restated to give effect to the adoption of MFRS 16 Leases.

Under MFRS 16 Leases, our net profit for the financial year/period includes interest expense on the lease liabilities under finance costs, depreciation of right-of-use assets and other MFRS 16 Leases adjustments (reassessments and modifications of leases, rent concessions and provision for restoration costs).

For the purpose of this Prospectus, EBITDA is calculated as our net profit for the financial year/period plus (i) income tax expense, (ii) finance costs, (iii) depreciation of property, plant and equipment, (iv) depreciation of right-of-use assets and (v) amortisation of intangible assets, less (vi) share of profit of an associate and (vii) interest income.

Adjusted EBITDA for the financial year/period is presented to give effect to our earnings before interest, taxation, depreciation and amortisation before the application of MFRS 16 Leases and is calculated as our EBITDA less payments of lease liabilities and other MFRS 16 Leases adjustments such as reassessments and modifications of leases, rent concessions and provision for restoration costs. Adjusted EBITDA is presented in this Prospectus because we believe that some investors regard it as a useful metric for assessing our financial performance, including when comparing our financial performance against other companies who report an equivalent metric before the application of MFRS 16 Leases.

EBITDA, Adjusted EBITDA and the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity that are not required by or presented in accordance with IFRS and MFRS. Furthermore, EBITDA and Adjusted EBITDA are not measures of our financial performance or liquidity under IFRS and MFRS and should not be considered as an alternative to net profit, operating profit or any other performance measures derived in accordance with IFRS or MFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA and Adjusted EBITDA are not standardised terms, and hence, direct comparisons of EBITDA and Adjusted EBITDA between companies may not be possible. Other companies may calculate EBITDA and Adjusted EBITDA differently from us, limiting its usefulness as a comparative measure.

We believe that EBITDA and Adjusted EBITDA may facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (including the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortisation of assets (affecting relative depreciation and amortisation expenses) and in respect of Adjusted EBITDA, the MFRS 16 Leases adjustments. EBITDA and Adjusted EBITDA have been presented because we believe that these supplemental measures are frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-IFRS and non-MFRS financial measures when reporting their results. Finally, EBITDA and Adjusted EBITDA are presented as supplemental measures of our ability to service debt. Nevertheless, EBITDA and Adjusted EBITDA have limitations as an analytical tool, and prospective investors should not consider it in isolation from or as a substitute for analysis of our financial condition or results of operations, as reported under the IFRS and MFRS. Due to these limitations, EBITDA and Adjusted EBITDA should not be considered as measures of discretionary cash available to invest in the growth of our business.

FORWARD-LOOKING STATEMENTS

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

(i) demand for our products and general industry environment;

(ii) our strategies and competitive position;

(iii) our future financial position, earnings, cash flows and liquidity;

(iv) potential growth opportunities; and

(v) 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) finance costs, interest rates, tax rates and foreign exchange rates;

(ii) future regulatory or government policy changes affecting us or countries from which we source our products;

(iii) delays or problems with the execution of our expansion plans;

(iv) competitive environment of the industry in which we operate;

(v) reliance on licences, permits and approvals;

(vi) general economic, business, social, political and investment environment in countries where we operate or countries from which we source our products;

(vii) continued availability of capital and financing;

(viii) fixed or contingent obligations and commitments;

(ix) changes in accounting standards and policies; and

(x) other factors beyond our control.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 5 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. Such forward-looking statements are made only as at the LPD.

In light of these uncertainties, the inclusion of such forward-looking statements should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

FORWARD-LOOKING STATEMENTS *(Cont'd)*

Should we become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment/transfer of our IPO Shares, we shall further 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 (Supplementary and Replacement Prospectus).

DEFINITIONS

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

Act	: Companies Act, 2016
ADA	: Authorised Depository Agent
Adjusted EBITDA	: Presented in this Prospectus to give effect to our earnings before interest, taxation, depreciation and amortisation before the application of MFRS 16 Leases and is calculated as our EBITDA less payments of lease liabilities and other MFRS 16 Leases adjustments (reassessments and modifications of leases, rent concessions and provision for restoration costs)
Admission	: Admission of our Shares to the Official List of the Main Market of Bursa Securities
AGM	: Annual general meeting
AmIB	: AmInvestment Bank Berhad
Application	: Application for our Issue Shares by way of Application Forms, Electronic Share Application or Internet Share Application
Application Forms	: Application forms for the application of our Issue Shares under the Retail Offering accompanying this Prospectus including the Pink Application Form
ATM	: Automated teller machine
Auditors or Reporting Accountants	: BDO PLT
Authorised Financial Institution	: Authorised financial institution participating in the Internet Share Application in respect of the payment for our IPO Shares
BNM	: Bank Negara Malaysia
Board	: Board of Directors of our Company
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 Act as a private company; (b) its shareholders are 100.0% Bumiputera; and (c) its board of directors (including its staff) are at least 51.0% Bumiputera; and (iii) cooperatives, a cooperative whose shareholders or cooperative members are at least 95.0% Bumiputera or such other criteria as may be imposed by the MITI
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd
Bursa Securities	: Bursa Malaysia Securities Berhad

BVI	:	British Virgin Islands
By-Laws	:	By-laws governing the ESOS
CAGR	:	Compound annual growth rate
CCC or CF	:	Certificate of completion and compliance or certificate of fitness or such certificate by any other name issued by the relevant authority under the SDBA and any by-laws made under it or such relevant legislation applicable at the material time
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CIMB	:	CIMB Investment Bank Berhad
CMCO	:	Conditional movement control order issued under the Prevention and Control of Infectious Disease Act 1988 and the Police Act 1967 which commenced on 4 May 2020
CMSA	:	Capital Markets and Services Act, 2007
Constitution	:	Constitution of our Company
Cornerstone Investors	:	Collectively, Aberdeen Standard Investments (Asia) Limited, Aberdeen Standard Investments (Malaysia) Sdn Bhd, Aberdeen Standard Islamic Investments (Malaysia) Sdn Bhd, Ignis Investment Services Limited, Standard Life Investments Limited, Affin Hwang Asset Management Berhad, AIA Bhd., BIJF Dynamic Diversified Growth Fund, BlackRock Emerging Frontiers Fund Limited, BlackRock Frontiers Markets Investment Trust plc, BlackRock Global Funds – ASEAN Leaders Fund, BlackRock Strategic Funds – BlackRock Asia Pacific Absolute Return Fund, Eastspring Investments Berhad, FIL Investment Management (Hong Kong) Limited, First Sentier Investors (Hong Kong) Limited, Hong Leong Assurance Berhad, Hong Leong Asset Management Bhd, JPMorgan Asset Management (Singapore) Limited, Matthews Asia Funds – Asia ex-Japan Dividend Fund, Matthews Asia Funds – Asia Small Companies Fund, Matthews Asia Small Companies Fund, Magna New Frontiers Fund, Oaks Emerging and Frontier Opportunities Fund, Pictet Asset Management Limited and Trinity Alps Capital Partners LP
COVID-19	:	Coronavirus disease (COVID-19), an infectious disease caused by a newly discovered strain of coronavirus. The first outbreak of this new virus and disease was reported in December 2019 and it is now a pandemic affecting many countries globally. The disease was named by a combination of 'CO' which stands for corona, 'VI' for virus and 'D' for disease
Creador	:	Creador Sdn Bhd
Creador Funds	:	Collectively, Creador III L.P., Creador II, LLC and Creador II L.P.
Credit Suisse	:	Credit Suisse Securities (Malaysia) Sdn Bhd and Credit Suisse (Singapore) Limited
Directors	:	Directors of our Company
Deeds of Assignment	:	The deeds of assignment each dated 12 August 2020 executed by Tan Yu Yeh and Iconic Edge Ltd respectively, as assignors, and our Company as assignee

EBITDA	:	Earnings before interest, taxation, depreciation and amortisation and for the purpose of this Prospectus, it is calculated as our net profit for the financial year/period plus (i) income tax expense, (ii) finance costs, (iii) depreciation of property, plant and equipment, (iv) depreciation of right-of-use assets and (v) amortisation of intangible assets, less (vi) share of profit of an associate and (vii) interest income
Electronic Prospectus	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium including, but not limited to compact disc read only memory (CD-ROM)
Electronic Share Application	:	Application for our Issue Shares under the Retail Offering through a Participating Financial Institution's ATM
Eligible Persons	:	Collectively, our Directors and employees of our Group and persons who have contributed to the success of our Group who are eligible to participate in the Retail Offering
EPF	:	Employees' Provident Fund Board
EPS	:	Earnings per Share
Equity Guidelines	:	Equity Guidelines issued by the SC
ESOS	:	Employees' share option scheme of our Company
ESOS Options	:	Right of a Grantee to subscribe for new Shares pursuant to the contract constituted by the acceptance of an offer made in accordance with the terms and conditions of the offer and the By-Laws
Executive Director	:	Executive director of our Company
FEA Rules	:	Foreign Exchange Administration Rules governed by the Controller of Foreign Exchange, BNM, under the Exchange Control Act, 1953
Federal Territory(ies)	:	The territories of Kuala Lumpur, Putrajaya and Labuan governed directly by the Federal Government of Malaysia
Final Retail Price	:	Final price per Issue Share to be paid by the investors under the Retail Offering, equivalent to the Retail Price or the Institutional Price, whichever is lower, to be determined on the Price Determination Date
Founder	:	Tan Yu Yeh
FPE	:	Financial period ended or where the context otherwise requires, financial period ending
Frost & Sullivan or IMR	:	Frost & Sullivan GIC Malaysia Sdn Bhd, the independent market research consultant
Fund Managers of Creador Funds	:	Creador Management Company II Ltd, the fund manager for Creador II, LLC and Creador II L.P., and Creador Management III Ltd, the fund manager for Creador III L.P.
FYE	:	Financial year ended or where the context otherwise requires, financial year ending
GP	:	Gross profit

Grantee(s)	:	Eligible Director(s) or eligible employee(s) of our Group who has(ve) accepted the offer in accordance with the terms and conditions of the offer and the By-Laws
Group	:	Collectively, our Company and our subsidiaries
GST	:	Goods and services tax
HLIB	:	Hong Leong Investment Bank Berhad
Hyptis	:	Hyptis Limited
IFRS	:	International Financial Reporting Standards as issued by the International Accounting Standards Board
IMR Report	:	Independent market research report dated 22 September 2020 prepared by Frost & Sullivan
Initial Public Offering or IPO	:	Collectively, the Offer for Sale and the Public Issue
Institutional Offering	:	Offering of up to 779,958,000 IPO Shares at the Institutional Price, subject to the clawback and reallocation provisions, to the following: (i) Malaysian institutional and selected investors, including Bumiputera investors approved by the MITI; (ii) foreign institutional and selected investors outside the United States in reliance on Regulation S; and (iii) QIBs in the United States in reliance on Rule 144A or pursuant to applicable exemption from registration under the U.S. Securities Act
Institutional Price	:	Price per IPO Share to be paid by investors under the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
Internet Participating Financial Institution(s)	:	Participating financial institution(s) for the Internet Share Application
Internet Share Application	:	Application for our Issue Shares under the Retail Offering through an Internet Participating Financial Institution
IPO Shares	:	Collectively, the Offer Shares and the Issue Shares
IPRs	:	Intellectual property and other proprietary rights associated with the various brands used by our Group, including "MR. D.I.Y.", "MR. TOY" and "MR. DOLLAR", including but not limited to unregistered trade names relating to the brands (other than the Trademarks), logos, any software, copyright, design, and the branding in any material form, plan, design and other works relating to the layout, decor, colour schemes and products
Issue Shares	:	New Shares to be issued by our Company under the Public Issue
Issuing House	:	Tricor Investor & Issuing House Services Sdn Bhd
IT	:	Information technology

Joint Bookrunners	:	Collectively, CIMB, Credit Suisse, J.P. Morgan, Maybank IB, RHB IB and UBS
Joint Global Coordinators	:	Collectively, CIMB, Credit Suisse, J.P. Morgan, Maybank IB and RHB IB
Joint Managing Underwriters	:	Collectively, CIMB, Maybank IB and RHB IB
Joint Principal Advisers	:	Collectively, CIMB and Maybank IB
Joint Underwriters	:	Collectively, AmIB, CIMB, HLIB, Kenanga IB, Maybank IB and RHB IB
J.P. Morgan	:	JPMorgan Securities (Malaysia) Sdn Bhd and J. P. Morgan Securities plc
Kenanga IB	:	Kenanga Investment Bank Berhad
Licensing Agreement	:	Licensing agreement dated 20 June 2019 entered into between MDGM, Tan Yu Yeh and his assignee, Iconic Edge Ltd, pursuant to which Tan Yu Yeh and Iconic Edge Ltd have granted MDGM an exclusive, perpetual and irrevocable licence, to use all of the IPRs for our businesses in Malaysia and Brunei, and the right to sub-licence such use to our subsidiaries and letter of acknowledgement dated 12 August 2020 between MDGM and Tan Yu Yeh and Iconic Edge Ltd. Pursuant to correspondence dated 22 July 2019 and 23 July 2019, the effective date of the Licensing Agreement was 16 October 2019
Listing	:	Listing of and quotation for the entire enlarged Shares on the Main Market of Bursa Securities
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	6 September 2020, being the latest practicable date prior to the registration of this Prospectus with the SC
Malaysian Public	:	Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Market Day	:	A day on which Bursa Securities is open for trading in securities
Master Cornerstone Placement Agreement	:	Master cornerstone placement agreement dated 23 September 2020 entered into between our Company, the Selling Shareholders, the Joint Global Coordinators, the Joint Bookrunners and the Cornerstone Investors, under which the Cornerstone Investors agree to acquire an aggregate of 234,680,000 IPO Shares under the Institutional Offering at the Institutional Price
Maybank IB	:	Maybank Investment Bank Berhad
MCCG	:	Malaysian Code on Corporate Governance which came into effect on 26 April 2017
MCMC	:	Malaysian Communications and Multimedia Commission
MCO	:	Movement control order issued under the Prevention and Control of Infectious Disease Act 1988 and the Police Act 1967 which commenced on 18 March 2020

MDGM or Company	:	Mr D.I.Y. Group (M) Berhad
MDHM	:	Mr D.I.Y. Holdings (M) Sdn Bhd
MDIH	:	Mr D.I.Y. International Holding Ltd
MFRS	:	Malaysian Financial Reporting Standards
MIA	:	Malaysian Institute of Accountants
MITI	:	Ministry of International Trade and Industry, Malaysia
N/A	:	Not applicable
NA	:	Net assets
NBV	:	Net book value
NRIC	:	Malaysian National Registration Identity Card
Offer for Sale	:	Offer for sale of up to 753,090,000 Offer Shares by the Selling Shareholders under the Institutional Offering
Offer Shares	:	Existing Shares to be offered by the Selling Shareholders pursuant to the Offer for Sale
Official List	:	A list specifying all securities listed on Bursa Securities
Participating Financial Institution(s)	:	Participating financial institution(s) for the Electronic Share Application
PAT	:	Profit after taxation
PBR	:	Price-to-book ratio
PBT	:	Profit before taxation
PER	:	Price-to-earnings ratio
Pink Application Form	:	Application form for the application of our Issue Shares under the Retail Offering by the Eligible Persons accompanying this Prospectus
Placement Agreement	:	The placement agreement to be entered into by our Company, the Selling Shareholders, the Joint Global Coordinators and the Joint Bookrunners in respect of such number of IPO Shares to be offered under the Institutional Offering
Platinum Alphabet	:	Platinum Alphabet Sdn Bhd
POS	:	Point of sale
Pre-IPO Exercise	:	Collectively, the Share Issuance and the Subdivision
Price Determination Date	:	The date on which the Institutional Price and Final Retail Price will be determined
Promoters	:	Collectively, Bee Family Limited, Yeh Family (PTC) Ltd, WEI Future Capital Ltd, Tan Yu Yeh, Tan Yu Wei, Tan Lee Ching, Tan Lee Hon, Tan Lay Keow, Tan Chin Hua and Poh Chu Tan

Prospectus	:	This Prospectus dated 6 October 2020 issued by our Company
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
Public Issue	:	Public issue of 188,400,000 Issue Shares by our Company
QIBs	:	Qualified institutional buyers, as defined under Rule 144A under the U.S. Securities Act
Record of Depositors	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
Regulation S	:	Regulation S under the U.S. Securities Act
Retail Offering	:	Offering of 161,532,000 Issue Shares at the Retail Price, subject to the clawback and reallocation provisions, to be allocated in the following manner: (i) 36,000,000 Issue Shares reserved for application by the Eligible Persons; and (ii) 125,532,000 Issue Shares for application by the Malaysian Public, via balloting
Retail Price	:	Initial price of RM1.60 per IPO Share to be fully paid upon application under the Retail Offering, subject to adjustment as detailed in Section 4.4.1 of this Prospectus
Retail Underwriting Agreement	:	Retail underwriting agreement dated 23 September 2020 between our Company, the Joint Managing Underwriters and the Joint Underwriters for the underwriting of our Issue Shares under the Retail Offering
RHB IB	:	RHB Investment Bank Berhad
RMCO	:	Recovery movement control order issued under the Prevention and Control of Infectious Disease Act 1988 and the Police Act 1967 which commenced on 10 June 2020
Rules of Bursa Depository	:	The rules of Bursa Depository as issued under the SICDA
SAC	:	Shariah Advisory Council of the SC
SC	:	Securities Commission Malaysia
SDBA	:	Street, Drainage and Building Act 1974
Selling Shareholders	:	Collectively, MDHM, Hyptis, Tan Yu Yeh, Tan Yu Wei, Tan Lee Ching, Tan Chin Hua, Tan Lee Hon, Poh Chu Tan, Tan Lay Keow, Tan Yew Hock, Gan Choon Leng, Tan Yew Teik, Chong Swee Lee, Khoo Kwoy Kock, Tan Lee Lee, Tan Lee Ling, Tan Yew King, Tan Gaik Hoon, Toh Hooi Hak, Lee Kim Keong, Toh Lay Fan, Toh Lee Soo and Ong Chu Jin Adrian
Share Issuance	:	Share issuance and allotment of 60,872,000 new Shares to Tan Yu Yeh, Hyptis and the shareholders of MDHM and/or their investment holding companies for a total consideration of RM100,000, which was completed on 23 September 2020
Shares	:	Ordinary shares in the share capital of our Company

Share Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd
SICDA	:	Securities Industry (Central Depositories) Act, 1991
SIRIM	:	SIRIM Berhad (formerly known as Standard and Industrial Research Institute of Malaysia)
SKU	:	Stock keeping unit
SSSG	:	Same-store sales growth
SST	:	Sales and services tax
sq. ft.	:	Square feet
sq. km.	:	Square kilometre
Subdivision	:	Subdivision of one existing Share to 100 Shares which was completed on 23 September 2020
Trademarks	:	The trademarks assigned to our Company under the Deeds of Assignment, including those relating to "MR. D.I.Y.", "MR. TOY" and "MR. DOLLAR", details of which are as set out in Annexure C of this Prospectus
UBS	:	UBS Securities Malaysia Sdn Bhd and UBS AG, Singapore Branch
U.S. or United States	:	United States of America, its territories and possessions, any state of the United States and the District of Columbia
U.S. Securities Act	:	United States Securities Act of 1933, as amended

Currencies

BND	:	Brunei Dollar, the lawful currency of Brunei Darussalam
EUR	:	Euro, the lawful currency of the European Union
HKD	:	Hong Kong Dollar, the lawful currency of Hong Kong
INR	:	Indian Rupee, the lawful currency of India
PHP	:	Philippine Peso, the lawful currency of Philippines
RM and sen	:	Ringgit Malaysia and sen, the lawful currency of Malaysia
RMB	:	Renminbi, the lawful currency of the People's Republic of China
SGD	:	Singapore Dollar, the lawful currency of Singapore
USD	:	United States Dollar, the lawful currency of the United States
VND	:	Vietnam Dong, the lawful currency of Vietnam

Subsidiaries

MD	:	Mr D.I.Y. Sdn Bhd
MD(B)	:	Mr. D.I.Y. (B) Sdn Bhd
MDE	:	Mr D.I.Y Ecommerce (M) Sdn Bhd
MD(EM)	:	Mr. D.I.Y. (EM) Sdn Bhd

MD(H)	:	Mr. D.I.Y. (H) Sdn Bhd
MD(J)	:	Mr D.I.Y. (Johor) Sdn Bhd
MD(K)	:	Mr D.I.Y. (Kuchai) Sdn Bhd
MDKIDS	:	Mr D.I.Y. Kids Sdn Bhd
MD(KK)	:	Mr D.I.Y. (KK) Sdn Bhd
MDM	:	Mr D.I.Y. Management Sdn Bhd
MD(M)	:	Mr. D.I.Y. (M) Sdn Bhd
MDollar	:	Mr. Dollar Sdn Bhd
MDT	:	Mr. D.I.Y. Trading Sdn Bhd

Associate

Qube	:	Qube Apps Solutions Sdn Bhd

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Designation	Nationality	Address
Dato' Azlam Shah Bin Alias	Independent Non-Executive Chairman	Malaysian	No. 14223, Jalan L5, Taman Melawati, 53100 Kuala Lumpur
Tan Yu Yeh	Non-Independent Executive Director / Executive Vice Chairman	Malaysian	No. 45, Jalan Selesaria 3, Taman Gembira, 58200 Kuala Lumpur
Ong Chu Jin Adrian	Non-Independent Executive Director / Chief Executive Officer	Malaysian	20, Elitis Maya, Valencia, 47000 Sungai Buloh, Selangor
Brahmal A/L Vasudevan	Non-Independent Non-Executive Director	Malaysian	1, Jalan Merchu, Bukit Tunku, 50480 Kuala Lumpur
Ng Ing Peng	Independent Non-Executive Director	Malaysian	D3A KH Villa Hartamas 9, Jalan Sri Hartamas 17, Taman Sri Hartamas, 50480 Kuala Lumpur
Leng Choo Yin	Independent Non-Executive Director	Malaysian	B-10-3A, Nadia Condominium, 10 Persiaran Residen, Desa Parkcity, 52200 Kuala Lumpur
Tan Yu Wei	Alternate Director to Tan Yu Yeh / Executive Vice President	Malaysian	No. 72, Jalan Selesaria 3, Taman Gembira, 58200 Kuala Lumpur
Soo Sze Yang	Alternate Director to Brahmal A/L Vasudevan	Malaysian	1257, Jalan Jiran, Taman Gembira, Jalan Kuchai Lama, 58200 Kuala Lumpur

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Ng Ing Peng	Chairman	Independent Non-Executive Director
Dato' Azlam Shah Bin Alias	Member	Independent Non-Executive Director
Brahmal A/L Vasudevan	Member	Non-Independent Non-Executive Director

1. CORPORATE DIRECTORY *(Cont'd)*

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Leng Choo Yin	Chairman	Independent Non-Executive Director
Ng Ing Peng	Member	Independent Non-Executive Director
Brahmal A/L Vasudevan	Member	Non-Independent Non-Executive Director

CORPORATE RESPONSIBILITY COMMITTEE

Name	Designation	Directorship
Dato' Azlam Shah Bin Alias	Chairman	Independent Non-Executive Director
Ong Chu Jin Adrian	Member	Non-Independent Executive Director
Ng Ing Peng	Member	Independent Non-Executive Director

COMPANY SECRETARIES	:	**Wong Mun Sin** No. 18-1, Jalan PJU 3/33 Parkville Townhouse Sunway Damansara 47810 Petaling Jaya Selangor	Professional qualification: Malaysian Institute of Chartered Secretaries and Administrators (Licence No.: MAICSA 7025509) (SSM PC No.: 202008000876)
		Joanne Toh Joo Ann 19, Jalan Pandan Indah 5/5 Pandan Indah 55100 Kuala Lumpur	(Licence No.: LS 0008574) (SSM PC No.: 202008001119)
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	
HEAD/MANAGEMENT OFFICE	:	Lot 1907 Jalan KPB 11 Kawasan Perindustrian Balakong 43300 Seri Kembangan Selangor Tel. No.: +603 8961 1338 Website: www.mrdiy.com E-mail: investor.query@mrdiy.com	
SELLING SHAREHOLDERS	:	**Mr D.I.Y. Holdings (M) Sdn Bhd** Unit 30-01, Level 30 Tower A, Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur	**Hyptis Limited** Tortola Pier Park, Building 1 Wickhams Cay I, 2nd Floor Road Town, Tortola British Virgin Islands

1. CORPORATE DIRECTORY *(Cont'd)*

SELLING SHAREHOLDERS *(Cont'd)* :

Tan Yu Yeh
No. 45, Jalan Selesaria 3
Taman Gembira
58200 Kuala Lumpur

Tan Yu Wei
No. 72, Jalan Selesaria 3
Taman Gembira
58200 Kuala Lumpur

Tan Lee Ching
32A, A/10 Sri Klebang
Bandar Baru Sri Klebang
31200 Chemor
Perak

Tan Chin Hua
32A, A/10 Sri Klebang
Bandar Baru Sri Klebang
31200 Chemor
Perak

Tan Lee Hon
2, Lorong Berjaya Indah 6
Taman Berjaya Indah
14000 Bukit Mertajam
Pulau Pinang

Poh Chu Tan
2, Lorong Berjaya Indah 6
Taman Berjaya Indah
14000 Bukit Mertajam
Pulau Pinang

Tan Lay Keow
No. 45, Jalan Selesaria 3
Taman Gembira
58200 Kuala Lumpur

Tan Yew Hock
No. 8, Jalan Vista 6/1
Taman Cheras Vista
43200 Cheras
Selangor

Gan Choon Leng
No. 30, Jalan Tasik Damai 4
Taman Tasik Damai
57000 Sungai Besi
Kuala Lumpur

Tan Yew Teik
No. 11, Jalan Vista 4/1
Taman Cheras Vista
Bandar Mahkota Cheras
43200 Cheras
Selangor

Chong Swee Lee
No. 12A, Jalan DB 4/3
Taman Desa Budiman
43000 Kajang
Selangor

Khoo Kwoy Kock
No. 6, Jalan Damai Perdana
16/1A, Bandar Damai Perdana
56000 Cheras
Kuala Lumpur

Tan Lee Lee
7-02 Emerald Residence
Jalan Mutiara Cheras 1
Bandar Mahkota Cheras
43200 Cheras
Selangor

Tan Lee Ling
B-5-07, Mahkota Garden Condo
Persiaran Mahkota Residence
Bandar Mahkota Cheras
43200 Cheras
Selangor

Tan Yew King
No. 6, Jalan Vista 6/1
Taman Cheras Vista
43200 Cheras
Selangor

Tan Gaik Hoon
No. 30, Jalan Tasik Damai 4
Taman Tasik Damai
57000 Sungai Besi
Kuala Lumpur

Toh Hooi Hak
8, Jalan Setia Tropika 5/11
Taman Setia Tropika
81200 Johor Bahru
Johor

Lee Kim Keong
No. 8, Jalan Damai Perdana
16/1A, Bandar Damai Perdana
56000 Cheras
Kuala Lumpur

Toh Lay Fan
No. 27, Clover 6
Clover Garden Residence
Persiaran Harmoni Cyber 3
63000 Cyberjaya
Selangor

Toh Lee Soo
No. 27, Clover 6
Clover Garden Residence
Persiaran Harmoni Cyber 3
63000 Cyberjaya
Selangor

1. CORPORATE DIRECTORY *(Cont'd)*

SELLING SHAREHOLDERS *(Cont'd)* :

Ong Chu Jin Adrian
20, Elitis Maya, Valencia
47000 Sungai Buloh
Selangor

AUDITORS AND REPORTING ACCOUNTANTS :

BDO PLT
Level 8, BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel. No.: +603 2616 2888
Partner-in-charge: Tang Seng Choon
Professional qualification: Member of MIA
(MIA membership No.: 7651)

JOINT PRINCIPAL ADVISERS
(in alphabetical order) :

CIMB Investment Bank Berhad
17th Floor, Menara CIMB
No. 1, Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel. No.: +603 2261 8888

Maybank Investment Bank Berhad
32nd Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel. No.: +603 2059 1888

JOINT MANAGING UNDERWRITERS AND JOINT UNDERWRITERS
(in alphabetical order) :

CIMB Investment Bank Berhad
17th Floor, Menara CIMB
No. 1, Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel. No.: +603 2261 8888

Maybank Investment Bank Berhad
32nd Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel. No.: +603 2059 1888

RHB Investment Bank Berhad
Level 10, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Tel. No.: +603 9287 3888

JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS
(in alphabetical order) :

CIMB Investment Bank Berhad
17th Floor, Menara CIMB
No. 1, Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel. No.: +603 2261 8888

Credit Suisse Securities (Malaysia) Sdn Bhd
Suite 7.6, Level 7, Menara IMC
8 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel. No.: +603 2723 2020

Credit Suisse (Singapore) Limited
1 Raffles Link
#03/#04-01 South Lobby
Singapore 039393
Tel. No.: +65 6212 2000

JPMorgan Securities (Malaysia) Sdn Bhd
Level 18, Integra Tower
The Intermark
348, Jalan Tun Razak
50400 Kuala Lumpur
Tel. No.: +603 2718 0679

J.P. Morgan Securities plc
25, Bank Street, Canary Wharf
London, United Kingdom
E145JP
Tel. No.: +44 20777 72000

Maybank Investment Bank Berhad
32nd Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel. No.: +603 2059 1888

1. CORPORATE DIRECTORY *(Cont'd)*

JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS *(Cont'd)*	:	**RHB Investment Bank Berhad** Level 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: +603 9287 3888	
JOINT BOOKRUNNER	:	**UBS Securities Malaysia Sdn Bhd** Level 7, Wisma Hong Leong 18 Jalan Perak 50450 Kuala Lumpur Tel. No.: +603 2781 1100	**UBS AG, Singapore Branch** One Raffles Quay #50-01 North Tower Singapore 048583 Tel. No.: +65 6495 8000
JOINT UNDERWRITERS *(in alphabetical order)*	:	**AmInvestment Bank Berhad** Level 22, Bangunan AmBank Group No. 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603-2036 2633	**Hong Leong Investment Bank Berhad** Level 28, Menara Hong Leong No. 6 Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Tel. No.: +603-2083 1800
		Kenanga Investment Bank Berhad Level 17, Kenanga Tower No. 237, Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: +603 2172 2888	
LEGAL ADVISERS	:	*To our Company as to Malaysian law*	*To our Company as to United States federal securities law and English law*
		Albar & Partners Suite 14-3, Level 14 Wisma UOA Damansara II No. 6, Changkat Semantan Damansara Heights 50490 Kuala Lumpur Tel. No.: +603 7890 3288	**Latham & Watkins LLP** 9 Raffles Place #42-02 Republic Plaza Singapore 048619 Tel. No.: +65 6536 1161
		To the Joint Global Coordinators, Joint Bookrunners, Joint Managing Underwriters and Joint Underwriters as to Malaysian law	*To the Joint Global Coordinators and Joint Bookrunners as to United States federal securities law and English law*
		Adnan Sundra & Low Level 11, Menara Olympia No. 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel. No.: +603 2070 0466	**Baker & McKenzie.Wong & Leow** 8, Marina Boulevard #5-01 Marina Bay Financial Centre Tower 1 Singapore 018981 Tel. No.: +65 6338 1888

INDEPENDENT MARKET RESEARCHER	:	**Frost & Sullivan GIC Malaysia Sdn Bhd** Suite C-11-02, Block C Plaza Mont' Kiara 2, Jalan Kiara, Mont Kiara 50480 Kuala Lumpur Tel. No.: +603 6204 5800 Name of signing partner: June Liang Pui San *(See Section 8 of this Prospectus for the profile of the firm and signing partner)*
SHARE REGISTRAR AND ISSUING HOUSE	:	**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
LISTING SOUGHT	:	Main Market of Bursa Securities
SHARIAH STATUS	:	Approved by the SAC

2. INTRODUCTION

2.1 APPROVALS AND CONDITIONS

The SC has, via its letters dated 5 March 2020, 28 August 2020, 23 September 2020 and 28 September 2020, approved our IPO and our Listing under Sections 214(1) and 214(2) of the CMSA and our Company's resultant equity structure pursuant to our Listing under the equity requirement for public listed companies, subject to compliance with the following conditions:

No.	Details of conditions imposed	Status of compliance
(i)	CIMB, Maybank IB and MDGM to fully comply with the requirements of the Equity Guidelines and Prospectus Guidelines pertaining to the implementation of our Listing.	To be complied
(ii)	Allocating shares equivalent to at least 7.5% of our enlarged issued Shares at the point of listing to Bumiputera investors.	To be complied
(iii)	Allocate the remaining difference between the prescribed equity requirement of 12.5% of our enlarged issued Shares and the actual equity interest allocated to Bumiputera investors at the point of listing, to Bumiputera investors approved by MITI within three years from the date of our Listing, in the following manner: (a) up to 3.0% to be undertaken within the first 24 months from the date of our Listing; and (b) the remaining balance to be undertaken within the 36 months from the date of our Listing.	To be complied

In the letter dated 23 September 2020, the SC has also noted that the effect of our Listing on the equity structure of our Company is as follows:

	As at the LPD		After the Pre-IPO Exercise		After our Listing	
	No. of Shares	% of issued Shares	No. of Shares	% based on our enlarged Shares	No. of Shares	% based on our enlarged Shares
Bumiputera						
- Individual	-	-	-	-	300,000	(1)*
- Malaysian Public via balloting	-	-	-	-	62,766,000	1.0
- Bumiputera investors to be approved by MITI	-	-	-	-	470,745,000	(2)7.5
Total Bumiputera	**-**	**-**	**-**	**-**	**533,811,000**	**8.5**
Non-Bumiputera(3)	8,200	82.0	4,992,324,000	82.0	4,782,915,800	76.2
Total Malaysian	**8,200**	**82.0**	**4,992,324,000**	**82.0**	**5,316,726,800**	**84.7**
Foreigners	1,800	18.0	1,095,876,000	18.0	959,873,200	15.3
TOTAL	**10,000**	**100.0**	**6,088,200,000**	**100.0**	**6,276,600,000**	**100.0**

Notes:

* Negligible.

(1) Assuming our Independent Non-Executive Chairman, Dato' Azlam Shah Bin Alias subscribes in full for his allocated 300,000 Issue Shares under the allocation to the Eligible Persons.

(2) Assuming fully subscribed by Bumiputera corporate investors approved by MITI.

(3) Assuming:

(i) All the 309,213,000 Offer Shares under the Institutional Offering to non-Bumiputera investors are fully subscribed by Malaysian institutional investors and all of the institutional investors are non-Bumiputera;

(ii) All the remaining 35,700,000 Issue Shares under the allocation to the Eligible Persons are fully subscribed by Eligible Persons who are Malaysians and non-Bumiputera; and

(iii) All the 62,766,000 Issue Shares applicable for Malaysian Public via balloting are fully subscribed by Malaysians who are non-Bumiputera.

2. INTRODUCTION *(Cont'd)*

The SC has, via its letters dated 21 June 2019, 4 September 2020 and 23 September 2020, approved the reliefs sought by us from having to comply with certain requirements under the Equity Guidelines and the Prospectus Guidelines. The details of the reliefs sought are as follows:

Reference	Details of relief granted	Condition imposed (if any)
Equity Guidelines		
Paragraph 1(f)(i) and (ii) of Part IV – Appendix I	Relief from having to disclose the ultimate beneficial ownership of Hyptis	-
Paragraph 4(a) of Part IV – Appendix 4	Relief from having to comply with the restriction on the placement of our IPO Shares to be offered under the Institutional Offering to certain parties who may be viewed as existing shareholders or persons connected to Hyptis	-
Paragraph 2 of Part IV – Appendix 4	Relief from having to comply with the restriction on the placement of our IPO Shares to be offered under the Institutional Offering to a party who is connected to a Joint Bookrunner	-
Prospectus Guidelines		
Paragraphs 4.01(d) and (e), Chapter 4, Division I of Part II	Relief from (i) having to disclose the ultimate beneficial owner of Hyptis and (ii) having to disclose the changes in the direct or indirect shareholdings of the limited partners/shareholders of the Creador Funds during the past three years	-
Paragraph 1.08(h), Chapter 1 of Part III	Relief from having to submit MDGM's audited consolidated financial statements for FYE 31 December 2016 and 2017	-
Paragraph 1.12(e), Chapter 1 of Part III	Relief from having to submit the audited financial statements of MDGM's subsidiaries for FYE 31 December 2016 and 2017	-
Paragraph 13.01(b)(v), Chapter 13, Division 1 of Part II	Relief from having to make available for inspection MDGM's audited consolidated financial statements and audited financial statements of MDGM's subsidiaries, for FYE 31 December 2016 and 2017	-

Bursa Securities has, via its letter dated 28 June 2019, resolved to accept our Company's expected level of public shareholding spread of 15.0% upon our Listing, as in compliance with Paragraph 8.02(1) of the Listing Requirements.

Our Company is required to notify Bursa Securities immediately, if in conjunction with the preparation of our semi-annual returns and/or where we become aware of any decrease in the percentage of public shareholding spread below 15.0%.

Bursa Securities has, via its letter dated 30 September 2020, approved our Admission, our Listing and the listing of and quotation for the new Shares to be issued upon exercise of our ESOS Options.

The SAC has, via its letter dated 6 April 2020, classified our Shares as Shariah-compliant securities based on our latest audited financial information for FYE 31 December 2019 and the Pro Forma Consolidated Statements of Financial Position as at 31 December 2019.

The MITI has, via its letter dated 28 January 2020, stated that it has taken note and has no objection for us to implement our Listing. In the same letter, the MITI has also approved for the allocations for Bumiputera investors to be implemented in several phases. The first phase allocation to be undertaken is the 470,745,000 Shares under our Institutional Offering, which is equivalent to 7.5% of our enlarged issued Shares and the remaining balance allocation of 5.0% of our enlarged issued Shares to be further implemented in two phases, whereby 3.0% is to be undertaken within 24 months from the date of our Listing and 2.0% is to be undertaken within 36 months from the date of our Listing.

2.2 MORATORIUM ON OUR SHARES

In accordance with the Equity Guidelines, our Shares held directly by some of our Promoters are subject to moratorium for a period of six months from the date of our Listing as set out below:

	Direct	
Name	**No. of Shares ('000)**	**%**
Bee Family Limited	3,202,225	51.0
Tan Yu Yeh	590	*
Tan Lee Ching[1]	250	*
Tan Chin Hua[1]	100	*
Tan Lee Hon[1]	500	*
Tan Lay Keow[1]	500	*
Poh Chu Tan[1]	250	*

Notes:

* Negligible.

(1) Represents the Issue Shares allocated to our employees under the allocation for Eligible Persons in respect of the Retail Offering.

Bee Family Limited and Tan Yu Yeh have fully accepted the moratorium. They are not allowed to sell, transfer or assign their entire holdings in our Shares as at the date of our Listing, for a period of six months from the date of our Listing.

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

The following persons are not allowed to sell, transfer or assign their entire shareholdings in respect of the following for six months from the date of our Listing:

(i) the shareholders of Bee Family Limited, namely Yeh Family (PTC) Ltd, WEI Future Capital Ltd, Tan Lee Ching, Tan Chin Hua, Tan Lee Hon, Tan Lay Keow and Poh Chu Tan, in respect of their shares held in Bee Family Limited; and

(ii) the sole shareholder of Yeh Family (PTC) Ltd and WEI Future Capital Ltd, namely Tan Yu Yeh and Tan Yu Wei, in respect of their shares held in Yeh Family (PTC) Ltd and WEI Future Capital Ltd respectively.

Tan Yu Yeh and Tan Yu Wei are also not allowed to sell, transfer or assign any Shares that they may subscribe for following the exercise of the ESOS Options granted to them for six months from the date of our Listing.

Tan Lee Ching, Tan Chin Hua, Tan Lee Hon, Tan Lay Keow and Poh Chu Tan are not allowed to sell, transfer or assign any Shares that they may subscribe for under the allocation for the Eligible Persons and following the exercise of the ESOS Options granted to them for six months from the date of our Listing.

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 whether to invest in our Shares.

3.1 PRINCIPAL DETAILS OF OUR IPO

3.1.1 Institutional Offering

The Institutional Offering involves the offering of up to 779,958,000 IPO Shares, representing approximately 12.4% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Institutional Price in the following manner:

(i) 470,745,000 IPO Shares, representing 7.5% of our enlarged issued Shares to Bumiputera investors approved by the MITI; and

(ii) up to 309,213,000 Offer Shares, representing up to approximately 4.9% of our enlarged issued Shares to the following persons:

(a) Malaysian institutional and selected investors (other than Bumiputera investors approved by the MITI);

(b) foreign institutional and selected investors outside the United States in reliance on Regulation S; and

(c) QIBs in the United States in reliance on Rule 144A or pursuant to applicable exemption from registration under the U.S. Securities Act.

3.1.2 Retail Offering

The Retail Offering involves the offering of 161,532,000 Issue Shares, representing approximately 2.6% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Retail Price to be allocated in the following manner:

(i) Allocation to the Eligible Persons

36,000,000 Issue Shares, representing approximately 0.6% of our enlarged issued Shares, are reserved for application by the Eligible Persons.

(ii) Allocation via balloting to the Malaysian Public

125,532,000 Issue Shares, representing 2.0% of our enlarged issued Shares, are reserved for application by the Malaysian Public, of which 62,766,000 Issue Shares have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

3.1.3 Moratorium on our Shares

In accordance with the Equity Guidelines, Bee Family Limited, Tan Yu Yeh, Tan Lee Ching, Tan Chin Hua, Tan Lee Hon, Tan Lay Keow and Poh Chu Tan are not allowed to sell, transfer or assign any part of their respective holdings in our Shares as at the date of our Listing, for a period of six months from the date of our Listing.

For detailed information relating to our IPO and moratorium on our Shares, see Sections 4.2 and 2.2 of this Prospectus, respectively.

3.2 HISTORY AND BUSINESS

Our Company was incorporated in Malaysia under the Companies Act, 1965 on 12 October 2010 and is deemed registered under the Act as a private limited company under the name of Mr D.I.Y. Enterprise Sdn Bhd. On 1 June 2016, our Company changed its name to Mr D.I.Y. Group (M) Sdn Bhd. On 4 June 2019, our Company was converted into a public company and assumed the name of Mr D.I.Y. Group (M) Berhad.

The principal activity of our Company is investment holding whilst our subsidiaries are principally involved in the retail of home improvement products and mass merchandise in Malaysia and Brunei.

As at the LPD, we have 670 stores in Malaysia and four stores in Brunei. Our operations are only located in Malaysia and Brunei. In other regions outside of Malaysia and Brunei, there are "MR. D.I.Y." stores operated through separate entities owned by our shareholders. These other regional "MR. D.I.Y" stores are unrelated to our Group.

For further details on our history, group structure and business, see Sections 6 and 7 of this Prospectus and for further details of the involvement of our Directors and substantial shareholders in entities that carry a similar trade as that of our Group, see Section 11.1 of this Prospectus.

3.3 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

(i) Market leader in a growing and resilient segment of the retail sector in Malaysia

We are the largest home improvement retailer in Malaysia with an estimated market share of 29.1% in 2019 based on our revenue for FYE 31 December 2019. Since the establishment of the first "MR. D.I.Y." store in 2005, our store network has grown substantially and as at the LPD, we operate 670 stores across every state and Federal Territory in Malaysia. We operate in a segment of the retail sector in Malaysia which is growing and resilient. Between 2019 and 2024, the home improvement retail sector in Malaysia is expected to grow at a CAGR of 10.2% from RM7.7 billion to RM12.5 billion, respectively, as a result of increasing urbanisation and household incomes in Malaysia.

(ii) Attractive price-to-quality product offering, wide range of products and convenient retail experience

Our merchandising strategy is to offer our customers a wide range of products that provide an attractive price-to-quality value proposition. Our stores are designed to provide a comfortable and convenient shopping experience for our customers. In FYE 31 December 2019 and FPE 30 June 2020, more than 90% of our stores were profitable.

(iii) Effective cost management through a lean operating structure

The large scale of our operations enables us to leverage on our economies of scale and we continually seek to obtain attractive terms from our end suppliers, comprising manufacturers and distributors, while maintaining a focus on quality, in order to reduce per unit cost of sales. We are also able to leverage on the "MR. D.I.Y." brand to attract customer footfall when negotiating with landlords including mall operators, for store space to secure commercially favourable terms for our stores. Our centrally managed distribution centre minimises our costs associated with storing inventory and moving goods to our stores.

(iv) Scalable platform that can be leveraged for future growth

We have developed a strategy for identifying and selecting sites to open new stores and a standardised store opening process which enables us to set up new stores quickly and efficiently. We also have a number of retail mall-based stores located within, or adjacent to, the premises of supermarkets and hypermarkets owned and operated by established mass merchandise retailers such as AEON, Tesco and Giant, providing the concept of "a store-within-a-store". Furthermore, leveraging on our experience and operational know-how, we have also developed our operational framework with a focus on improving efficiency and lowering costs.

(v) Strong track record of profitable growth and cash generation

We have generated strong revenue and EBITDA growth over the last three financial years. We have a strong cash generation profile due to our ability to operate profitably. Our stores are generally designed to be functionally efficient and practical, yet attractive to customers, in order to enable us to achieve our target payback on our new stores within two years.

(vi) Experienced founder-led key senior management with a proven track record and incentivised workforce

Our founder-led key senior management has successfully grown our business since the first store opened in 2005 by successfully implementing our business model, store roll-out strategy and developing our relationships with manufacturers, distributors, trading houses and third party service providers. At the store level, our in-store management teams are empowered and incentivised to drive sales and profitability of their respective stores.

For further details on our competitive strengths, see Section 7.2.1 of this Prospectus.

3.4 IMPACT OF THE COVID-19 PANDEMIC

In Malaysia, following the implementation of the MCO, we were required to temporarily close all of our stores by 22 March 2020. As a result of the mandatory temporary store closures under the MCO, our revenue for the months of March and April 2020 declined to RM118.0 million and RM51.0 million, respectively (based on our unaudited consolidated management accounts for the months of March and April 2020), which was substantially lower than our average monthly revenue of RM189.6 million in FYE 31 December 2019. In accordance with approvals from the relevant local authority which we received in April 2020, we began reopening some of our stores. However, our stores which were permitted to open were only permitted to operate for a limited number of hours each day and/or a limited number of days per week, in accordance with approvals from the relevant local authorities. With the implementation of the CMCO, we were permitted to reopen our stores in Malaysia in accordance with the rules of the CMCO and by 31 May 2020, none of our stores in Malaysia were closed due to the restrictions under the MCO. Following the implementation of the RMCO, certain of the prohibitions and restrictions imposed under the CMCO have been relaxed and/or lifted, allowing us to resume normal operating hours and days of our stores. Based on our unaudited management accounts, our revenue for the months of May and June 2020 increased to RM233.5 million and RM232.1 million, respectively, compared to our revenue of RM51.0 million in April 2020. As at the LPD, we have not been required to close any of our stores in Brunei as a result of the COVID-19 pandemic.

For further details on the impact of the COVID-19 pandemic on our business, see Sections 5.1.2(b), 5.1.2(c), 5.1.3, 5.1.5, 5.1.6, 5.2.1, 5.4.6, 7.2.1(iii), 7.2.1(v), 7.2.2(ii), 7.4.2, 7.4.6, 7.4.7(iii), 7.10.1, 7.18, 7.19, 7.23, 7.25, 12.2.1, 12.2.2, 12.2.3, 12.2.4, 12.2.5 and 12.2.12 of this Prospectus.

3.5 FUTURE PLANS AND STRATEGIES

Our future plans and strategies are as follows:

(i) Continue to expand our presence and grow our store network

We intend to leverage on our business model and operational platform to continue to scale our store network to capitalise on the underpenetrated home improvement retail sector in Malaysia, with a target of at least 100 additional "MR. D.I.Y." stores in 2020 and approximately 100 additional "MR. D.I.Y." stores in 2021.

(ii) Continue to deliver positive SSSG through increased brand awareness, attractive price-to-quality product offering and convenience to our customers

In FYE 31 December 2017, 2018 and 2019, our stores achieved an average SSSG of 6.5%, 4.5% and 1.8% respectively. In FPE 30 June 2020, our stores achieved an average SSSG of negative 24.6%, primarily due to the temporary closure of a number of our stores in Malaysia, following the implementation of the MCO. We intend to continue to focus on delivering positive SSSG for our stores. The expansion of our store network further increases our brand awareness, which we expect to drive footfall to our stores. At the same time, we intend to continue to offer attractive price-to-quality value and convenience to our customers, which will drive customer loyalty and repeat business to our stores. We also intend to actively monitor our customers' demand for our products and continue to customise our product range in response to changes in customer preferences and buying patterns.

(iii) Expand into new retail formats

There are good long-term opportunities as we intend to leverage on our knowledge of local industry practices, customer preferences, direct sourcing network and scale advantage to access new customer segments when the opportunity arises.

For further details on our future plans and strategies, see Section 7.2.2 of this Prospectus.

3.6 DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, our Directors and key senior management are as follows:

Name	Designation
Directors	
Dato' Azlam Shah Bin Alias	Independent Non-Executive Chairman
Tan Yu Yeh	Non-Independent Executive Director / Executive Vice Chairman
Ong Chu Jin Adrian	Non-Independent Executive Director / Chief Executive Officer
Brahmal A/L Vasudevan	Non-Independent Non-Executive Director
Ng Ing Peng	Independent Non-Executive Director
Leng Choo Yin	Independent Non-Executive Director
Tan Yu Wei	Alternate Director to Tan Yu Yeh / Executive Vice President
Soo Sze Yang	Alternate Director to Brahmal A/L Vasudevan
Key senior management	
Tan Yu Yeh	Non-Independent Executive Director / Executive Vice Chairman
Ong Chu Jin Adrian	Non-Independent Executive Director / Chief Executive Officer
Tan Yu Wei	Alternate Director to Tan Yu Yeh / Executive Vice President
Lim Chen Hwee	Senior Vice President, Finance
Tan Yew Hock	Director and Head, Business Development
Tan Yew Teik	Director and Head, Logistics
Hoe Lye Peng	Vice President, Distribution Centre
Lau Boon Teck	Vice President, Retail Operations
Chin Guangui	Vice President, Marketing

For further information on our Directors and key senior management, see Sections 9.2.1 and 9.3.1 of this Prospectus, respectively.

3.7 USE OF PROCEEDS

We expect to use the gross proceeds from the Public Issue amounting to RM301.4 million[1] in the following manner:

Details of use of proceeds	Estimated timeframe for use from the date of our Listing	RM'000	%
Repayment of bank borrowings	Within 6 months	276,140	91.6
Defray fees and expenses for our IPO and Listing	Within 6 months	25,300	8.4
Total		**301,440**	**100.0**

Note:

(1) We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

For detailed information relating to the use of proceeds arising from the Public Issue, see Section 4.6 of this Prospectus.

3.8 DIVIDEND POLICY

We target a payout ratio of at least 40.0% of our net profit attributable to the owners of our Company for each financial year on a consolidated basis after taking into account the working capital, maintenance capital and committed capital requirements of our Group. The declaration and payments of any dividend is subject to the confirmation of our Board as well as any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

3.9 RISK FACTORS

An investment in our Shares involves a number of risks, many of which are beyond our control. You should carefully consider all of the information contained in this Prospectus, including all the risk factors, before deciding to invest in our Shares.

The following is a summary of the key risks that we face in our business operations:

(i) **The success of our business is dependent on the "MR. D.I.Y." brand and its associated brands and our reputation. Any adverse impact on the perception or value of these brands or our reputation may materially and adversely affect our business, financial condition, results of operations and prospects.**

The occurrence of events which draw negative publicity to or otherwise adversely impact our reputation or damage the "MR. D.I.Y." brand and its associated brands may deter consumers from shopping at our stores and buying our products. The occurrence of such events may also negatively impact the willingness of our business partners, including manufacturers, distributors, other suppliers and mass merchandise retailers to conduct business with us.

(ii) We may not be able to successfully implement our strategies to grow our business which would limit our growth prospects.

Our present growth strategy depends on our ability to grow our store network, to operate these stores profitably and to increase our sales. Our ability to successfully implement these strategies are subject to various risks.

Our business and operations are limited to Malaysia and Brunei. Although we own the Trademarks that we use in our business in Malaysia and Brunei through the Deeds of Assignment, we do not have ownership of any of the similar trademarks outside of Malaysia and Brunei. Furthermore, our substantial shareholders continue to hold a controlling interest in entities that carry on retail operations similar to us under the brand name of "MR. D.I.Y." in Thailand, Singapore, Indonesia, Philippines, Cambodia, Laos and possibly elsewhere. Our Founder has also licensed the use of "MR. D.I.Y." brand name to a third party for retail operations in India, as at the LPD.

The expansion of our store requires substantial resources. We will also need to successfully identify and secure suitable sites for new stores and obtain the funding required to open and operate these stores. As we expand our store network in Malaysia and Brunei, or if our competitors successfully expand their store networks in Malaysia and Brunei, these markets may become increasingly saturated and we may not be able to continue to successfully open new and profitable stores in these markets, whether at the same rate as we have been able to do so in the past or at all or maintain the profitability of our existing stores.

There can be no assurance that new or further restrictions or prohibitions in relation to the MCO will not be implemented and any of such restrictions or prohibitions could materially and adversely affect our ability to grow our store network.

Additionally, our new stores may not be profitable immediately or at all. The profitability and financial performance of our new and existing stores depend on a number of factors. To the extent we are, unable to pass on any increasing costs to our customers, or demand is affected as a result of selling price increases that are passed through to customers, or if the market becomes increasingly saturated due to our store expansion or if our competitors successfully expand their store network, this may have a material adverse effect on our profit. As a result, our profit may decrease as our store network increases. The performance of our new stores will also be impacted significantly by our ability to test and implement profitable store concepts and to secure attractive locations for them. Such locations are generally in high demand in Malaysia. A continued increase in property prices in Malaysia will increase the costs that we incur in securing new locations for our stores and may increase our costs associated with operating our stores in their existing locations. There can be no assurance that we will be able to successfully continue our current or historical rate of expansion.

(iii) We operate out of a single centralised distribution centre consisting of a cluster of closely located properties and if our capital investments in our supply chain and distribution infrastructure do not keep pace with our expanding store network, or do not achieve appropriate returns, our competitive position, financial condition and results of operation may be adversely affected.

Our distribution network is concentrated around our distribution centre consisting of a cluster of 11 closely located properties situated in the Balakong area in Selangor, Malaysia and one property located in Port Klang, Selangor, Malaysia, through which all of our products are distributed to our stores in Malaysia and Brunei. In the event we are unable to renew our existing leases for our distribution centre (or our warehousing and distribution facilities), or there is any significant disruption in the operation of the distribution centre or its individual warehousing facilities due to natural disasters or events such as fire, accidents, prolonged power outages, system failures or other unforeseen causes, which could damage a significant portion of our inventory, or any proceedings or actions by a regulatory or governmental body as a result of any non-compliance with applicable laws or regulatory requirements, this could adversely affect our product distribution and sales until such time as we can secure an alternative means of product storage and distribution.

Although we have not been required to close or temporarily halt our operations at our distribution centre due to the MCO, CMCO and RMCO, we may be required to do so in the future in the event that any of our employees develop COVID-19, or if the RMCO or similar restrictions are extended or enhanced in the future. Our operations would be disrupted by such closure and these disruptions could be material if they affect several of our warehousing facilities simultaneously. If we are unable to restore our operations to distribute products to our stores, our store operations may be materially disrupted and our business may be materially and adversely affected.

(iv) The outbreak of pandemics of infectious diseases (such as COVID-19) or other health epidemics may adversely affect our business, results of operations and financial condition.

The outbreak of pandemics of infectious diseases or other health epidemics may create substantial economic uncertainty in financial and commercial markets, adversely affect our operations, consumer spending and lead to a decline in overall economic activity, including in Malaysia.

We may in the future face further disruptions to our store operations if the COVID-19 pandemic persists or worsens in Malaysia, or if there is an outbreak of pandemics of other infectious diseases or other health epidemics, or if the MCO restrictions are extended or enhanced. In addition, we do not have business interruption insurance coverage and any losses that we may incur as a result of the required reduced operations of our stores are not recoverable under our insurance policies. Furthermore, the Government of Malaysia has imposed and may impose additional restrictions which may adversely affect consumer-facing businesses such as ours. These factors may lead to lower levels of footfall at our stores and, consequently, lower sales, which could adversely affect our financial performance and results of operations.

The COVID-19 pandemic, or the outbreak of pandemics of other infectious diseases or other health epidemics, may also impact our ability to access and ship products to and from impacted locations. In FPE 30 June 2020, we imported approximately 74.3% of our products from end suppliers based outside of Malaysia, with China being our dominant import source. If, in response to the COVID-19 pandemic (or other such pandemics or epidemics), the Chinese government or the governments of any other countries in which our end suppliers or other supply chain logistics service providers conduct their operations, implements restrictions on international trade or on domestic economic activity, this could adversely affect the operations of our end suppliers and supply chain logistics service providers, which would in turn affect our business and operations.

For further details on our risk factors, see Section 5 of this Prospectus.

3.10 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The following table sets out a summary of our consolidated statements of profit or loss and other comprehensive income for the years/period indicated.

	FYE 31 December			FPE 30 June
	2017	**2018**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	1,229,216	1,771,058	2,275,587	1,050,749

	FYE 31 December			FPE 30 June
	2017	2018	2019	2020
	RM'000	RM'000	RM'000	RM'000
Cost of sales	(687,210)	(997,227)	(1,311,894)	(602,707)
GP	**542,006**	**773,831**	**963,693**	**448,042**
PBT	279,882	398,461	437,733	159,707
Net profit for the financial year / period(1)	210,008	308,333	317,568	115,443
Total equity	349,232	524,562	340,474	456,021
Total borrowings	31,057	92,015	623,355	608,852
Net (cash)/ borrowings	(58,364)	25,362	482,684	336,386
GP margin (%)(2)	44.1	43.7	42.3	42.6
PBT margin (%)(3)	22.8	22.5	19.2	15.2
PAT margin (%)(4)	17.1	17.4	14.0	11.0
Gearing ratio(5) (times)	0.09	0.18	1.83	1.34
Net gearing ratio(6) (times)	*N/A	0.05	1.42	0.74

Notes:

(1) All of our net profit for the financial year/period is attributable to the owners of our Company as we do not have any non-controlling interest.
(2) Computed based on GP divided by revenue.
(3) Computed based on PBT divided by revenue.
(4) Computed based on net profit for the financial year / period divided by revenue.
(5) Computed based on total borrowings divided by total equity as at the end of the year/period.
(6) Computed based on net borrowings (total borrowings less cash and bank balances) divided by total equity as at the end of the year/period.
* Net gearing ratio is not applicable as our Group was in a net cash position.

The following table sets out a breakdown of our store network as at 31 December 2017, 2018, and 2019 and 30 June 2020 and our revenue generated from our stores in FYE 31 December 2017, 2018, 2019 and FPE 30 June 2020 by region in Malaysia and in Brunei.

	No. of stores				Revenue from stores(6)			
	As at 31 December			As at 30 June	FYE 31 December			FPE 30 June
Region	**2017**	**2018**	**2019**	**2020**	**2017**	**2018**	**2019**	**2020**
					(RM'mil)	(RM'mil)	(RM'mil)	(RM'mil)
Peninsular Malaysia								
Central(1)	101	140	184	202	374.7	532.2	718.4	338.2
East Coast(2)	65	81	99	105	165.9	242.6	293.7	130.3
North(3)	59	77	97	105	192.4	284.7	352.1	167.7
South(4)	68	96	123	129	272.0	375.4	483.2	214.7
East Malaysia(5)	58	69	86	95	206.1	312.2	385.1	163.0
Sub-total	**351**	**463**	**589**	**636**	**1,211.1**	**1,747.1**	**2,232.5**	**1,013.9**
Brunei	3	4	4	4	16.6	19.1	20.0	10.8
Total	**354**	**467**	**593**	**640**	**1,227.7**	**1,766.2**	**2,252.5**	**1,024.7**

Notes:

(1) Consists of the state of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya.
(2) Consists of the states of Kelantan, Terengganu and Pahang.
(3) Consists of the states of Perlis, Kedah, Pulau Pinang and Perak.
(4) Consists of the states of Johor, Melaka and Negeri Sembilan.
(5) Consists of the states of Sabah and Sarawak, and the Federal Territory of Labuan.
(6) Excludes revenue from our e-commerce website and the sale of our products on third party e-commerce platforms, revenue from trading of our products which form part of our total revenue and in relation to FPE 30 June 2020, ad hoc bulk sales to corporate third parties.

3.11 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The following tables set out the direct and indirect shareholdings of our Promoters and substantial shareholders before and after our IPO:

		Before our IPO(1)				Upon Listing(2)				Upon Listing and assuming exercise of ESOS Options(3)			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	Nationality/ Country of Incorporation	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Promoters and substantial shareholders													
Bee Family Limited	BVI	3,202,225	52.6	-	-	3,202,225	51.0	-	-	3,202,225	50.6	-	-
Tan Yu Yeh	Malaysian	245,265	4.0	3,203,045	(4)52.6	590	*	3,202,225	(4)51.0	2,240	*	3,202,225	(4)50.6
Tan Yu Wei	Malaysian	148,063	2.4	3,203,045	(5)52.6	-	-	3,202,225	(5)51.0	1,410	*	3,202,225	(5)50.6
Yeh Family (PTC) Ltd	BVI	-	-	3,202,225	(6)52.6	-	-	3,202,225	(6)51.0	-	-	3,202,225	(6)50.6
WEI Future Capital Ltd	BVI	-	-	3,202,225	(6)52.6	-	-	3,202,225	(6)51.0	-	-	3,202,225	(6)50.6
Promoters													
Tan Lee Ching	Malaysian	11,712	0.2	-	-	250	*	-	-	560	*	-	-
Tan Chin Hua	Malaysian	3,921	0.1	-	-	100	*	-	-	340	*	-	-
Tan Lee Hon	Malaysian	21,048	0.4	-	-	500	*	-	-	1,210	*	-	-
Tan Lay Keow	Malaysian	8,454	0.1	-	-	500	*	-	-	820	*	-	-
Poh Chu Tan	Malaysian	13,241	0.2	-	-	250	*	-	-	580	*	-	-

		Before our IPO[1]				Upon Listing[2]				Upon Listing and assuming exercise of ESOS Options[3]			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	Nationality/ Country of Incorporation	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Substantial shareholders													
Hyptis	BVI	1,095,876	18.0	-	-	959,873	15.3	-	-	959,873	15.2	-	-
Platinum Alphabet	Malaysia	433,842	7.1	-	-	433,842	6.9	-	-	433,842	6.9	-	-
Creador III L.P.	Mauritius	-	-	1,095,876	(7)18.0	-	-	959,873	(7)15.3	-	-	959,873	(7)15.2
Creador II, LLC	Mauritius	-	-	1,095,876	(7)18.0	-	-	959,873	(7)15.3	-	-	959,873	(7)15.2
Gan Choon Leng	Malaysian	19,561	0.3	433,842	(8)7.1	500	*	433,842	(8)6.9	1,030	*	433,842	(8)6.9
Tan Gaik Hoon	Malaysian	19,561	0.3	433,842	(8)7.1	500	*	433,842	(8)6.9	970	*	433,842	(8)6.9

Notes:

* Negligible.

(1) Based on our issued 6,088,200,000 Shares after the Pre-IPO Exercise.

(2) Based on our enlarged issued 6,276,600,000 Shares upon Listing and assuming full subscription of our Issue Shares allocated to our employees under the allocation for Eligible Persons in respect of the Retail Offering.

(3) Based on our enlarged issued 6,323,970,000 Shares after assuming full exercise of the 47,370,000 ESOS Options intended to be offered as described in Section 4.2.5 of this Prospectus.

(4) Deemed interested by virtue of his interest in Bee Family Limited, through his shareholdings held in Yeh Family (PTC) Ltd, and by virtue of his shareholdings in MDHM, applying Section 8(4) of the Act. In addition, MDHM is deemed interested by virtue of its right to acquire such number of Charged Shares (as defined in note (7) below) from Creador Funds upon (a) the exercise of an option by a financier referred to in note (7) below and (b) Creador Funds not fulfilling their obligations under the option, applying Section 8(6) of the Act.

(5) Deemed interested by virtue of his interest in Bee Family Limited through his shareholding held in WEI Future Capital Ltd, and by virtue of his shareholdings in MDHM, applying Section 8(4) of the Act. In addition, MDHM is deemed interested by virtue of its right to acquire such number of Charged Shares (as defined note (7) below) from Creador Funds upon (a) the exercise of an option by a financier referred to in note (7) below and (b) Creador Funds not fulfilling their obligations under the option, applying Section 8(6) of the Act.

(6) Deemed interested by virtue of its interest in our Company via Bee Family Limited, applying Section 8(4) of the Act.

(7) Deemed interested by virtue of its interest in our Company via Hyptis, applying Section 8(4) of the Act and by virtue of its obligation to acquire the number of Shares which are charged by Hyptis to a financier, applying Section 8(6) of the Act. The number of charged Shares is up to 311.1 million Shares upon Listing ("**Charged Shares**").

(8) Deemed interested by virtue of their interests in Platinum Alphabet, applying Section 8(4) of the Act.

4. DETAILS OF OUR IPO

4.1 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative times and dates:

Event	Date
Opening of the Institutional Offering[(1)]	6 October 2020
Issuance of the Prospectus/Opening of the Retail Offering	10:00 a.m., 6 October 2020
Closing of the Retail Offering	5:00 p.m., 14 October 2020
Closing of the Institutional Offering	14 October 2020
Price Determination Date	14 October 2020
Balloting of applications for our Issue Shares under the Retail Offering	16 October 2020
Allotment/Transfer of our IPO Shares to successful applicants	23 October 2020
Listing	26 October 2020

Note:

(1) Other than the Institutional Offering to the Cornerstone Investors. The Master Cornerstone Placement Agreement for the acquisition of our IPO Shares by the Cornerstone Investors was entered into on 23 September 2020.

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

4.2 PARTICULARS OF OUR IPO AND PLAN OF DISTRIBUTION

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus.

Our IPO consists of the Institutional Offering and the Retail Offering, totalling up to 941,490,000 IPO Shares, representing 15.0% of our enlarged issued Shares.

4.2.1 Pre-IPO Exercise

In conjunction with our Listing, on 23 September 2020, our Company undertook a share issuance and allotment of 60,872,000 new Shares to Tan Yu Yeh, Hyptis and the shareholders of MDHM and/or their investment holding companies for a total consideration of RM100,000 to facilitate the re-organisation of our shareholding structure to be held directly by the shareholders of MDHM and/or their holding companies together with Tan Yu Yeh and Hyptis. Thereafter, a subdivision of one existing Share to 100 Shares was completed on 23 September 2020.

The Share Issuance was completed and Shares were allotted to Tan Yu Yeh, Hyptis and the shareholders of MDHM and/or their investment holding companies based on their proportionate effective shareholding interest in MDGM such that their effective shareholding in MDGM will be the same before and after the Share Issuance.

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

The Share Issuance and the Subdivision involve the following:

	Number of Shares issued under the Share Issuance ('000)	Number of Shares held after the Share Issuance ('000)	Number of Shares held after the Subdivision ('000)	Percentage shareholding after the Subdivision
Bee Family Limited[(2)]	32,022	32,022	3,202,225	52.6%
Hyptis[(3)]	10,957	10,959	1,095,876	18.0%
Platinum Alphabet[(2)]	4,338	4,338	433,842	7.1%
Tan Yew Teik[(2)]	2,763	2,763	276,350	4.5%
Tan Yu Yeh[(2)]	2,453	2,453	245,265	4.0%
Tan Yu Wei[(2)]	1,481	1,481	148,063	2.4%
Chong Swee Lee[(4)]	1,249	1,249	124,908	2.1%
Tan Yew King[(5)]	1,249	1,249	124,908	2.1%
Tan Yew Hock[(2)]	1,249	1,249	124,908	2.1%
Tan Lee Lee[(5)]	625	625	62,454	1.0%
Tan Lee Ling[(5)]	625	625	62,454	1.0%
Ong Chu Jin Adrian[(4)]	499	499	49,904	0.8%
Tan Lee Hon[(2)]	210	210	21,048	0.3%
Gan Choon Leng[(2)]	196	196	19,561	0.3%
Tan Gaik Hoon[(2)]	196	196	19,561	0.3%
Khoo Kwoy Kock[(6)]	142	142	14,164	0.2%
Poh Chu Tan[(2)]	132	132	13,241	0.2%
Tan Lee Ching[(2)]	117	117	11,712	0.2%
Toh Hooi Hak[(7)]	110	110	10,996	0.2%
Tan Lay Keow[(2)]	85	85	8,454	0.1%
Toh Lay Fan[(7)]	66	66	6,597	0.1%
Toh Lee Soo[(7)]	44	44	4,399	0.1%
Tan Chin Hua[(2)]	39	39	3,921	0.1%
Lee Kim Keong[(8)]	26	26	2,569	*
MDHM	-	8	820	*
Total	**[(1)]60,872**	**[(1)]60,882**	**[(1)]6,088,200**	**[(1)]100.0**

Notes:

* Negligible

(1) The total does not equate to the sum above due to rounding.

(2) Their respective associations or family relationship with our substantial shareholders, Promoters, Directors and key senior management are set out in Section 9.5 of this Prospectus.

(3) Hyptis does not have any association or family relationship with our substantial shareholders, Promoters, Directors and key senior management except for our Director, Brahmal A/L Vasudevan and his alternate, Soo Sze Yang, as described in Sections 9.5(x) and 9.5(xi) of this Prospectus.

(4) Do not have any associations or family relationship with our substantial shareholders, Promoters, Directors, key senior management and the remaining shareholders of MDHM.

(5) Tan Yew King, Tan Lee Lee and Tan Lee Ling are siblings and are also siblings to Tan Yew Teik and Tan Yew Hock who are members of our key senior management. They are also cousins to Tan Yu Yeh, Tan Yu Wei, Tan Lee Ching, Tan Lee Hon, Tan Lay Keow and Khoo Kwoy Kock.

(6) Cousin to Tan Yu Yeh, Tan Yu Wei, Tan Lee Ching, Tan Lee Hon, Tan Lay Keow, Tan Yew Hock, Tan Yew King, Tan Yew Teik, Tan Lee Lee and Tan Lee Ling.

(7) Toh Hooi Hak, Toh Lay Fan and Toh Lee Soo are siblings and shareholders of Platinum Alphabet. They are also cousins to Tan Yu Yeh, Tan Yu Wei, Tan Lee Ching, Tan Lee Hon and Tan Lay Keow.

(8) Brother-in-law of Khoo Kwoy Kock.

4.2.2 Institutional Offering

The Institutional Offering involves the offering of up to 779,958,000 IPO Shares, representing approximately 12.4% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Institutional Price in the following manner:

(i) 470,745,000 IPO Shares, representing 7.5% of our enlarged issued Shares to Bumiputera investors approved by the MITI; and

(ii) up to 309,213,000 Offer Shares, representing up to approximately 4.9% of our enlarged issued Shares to the following persons:

   (a) Malaysian institutional and selected investors (other than Bumiputera investors approved by the MITI);

   (b) foreign institutional and selected investors outside the United States in reliance on Regulation S; and

   (c) QIBs in the United States in reliance on Rule 144A or pursuant to applicable exemption from registration under the U.S. Securities Act.

As part of the Institutional Offering, on 23 September 2020, our Company and the Selling Shareholders, entered into the Master Cornerstone Placement Agreement with the Cornerstone Investors where the Cornerstone Investors have agreed to acquire from the Selling Shareholders, subject to the terms of the Master Cornerstone Placement Agreement and the individual cornerstone placement agreements, an aggregate of 234,680,000 IPO Shares, representing approximately 3.7% of our enlarged issued Shares at RM1.60 per IPO Share or the Institutional Price, whichever is lower. None of the Cornerstone Investors will individually acquire or subscribe for 5% or more of our Company's enlarged issued Shares under the cornerstone placement agreements.

The cornerstone placement agreements are conditional upon, among others, the Retail Underwriting Agreement and the Placement Agreement being entered into and not having been terminated pursuant to their respective terms.

4.2.3 Retail Offering

The Retail Offering involves the offering of 161,532,000 Issue Shares, representing approximately 2.6% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, at the Retail Price to be allocated in the following manner:

(i) Allocation to the Eligible Persons

36,000,000 Issue Shares, representing approximately 0.6% of our enlarged issued Shares, are reserved for application by the Eligible Persons in the following manner:

Eligible Persons	No. of Eligible Persons	Aggregate no. of Issue Shares allocated ('000)
Our Directors[(1)]	3	900
Eligible employees of our Group[(2)]	378	27,730
Persons who have contributed to the success of our Group[(3)]	38	7,370
Total	**419**	**36,000**

Notes:

(1) The allocation is based on, amongst others, our Directors' respective roles and responsibilities in our Company. Our Independent Non-Executive Directors, Dato' Azlam Shah Bin Alias, Ng Ing Peng and Leng Choo Yin have each been allocated 300,000 Issue Shares.

(2) The allocation is to be made to full-time confirmed employees of our Group based on length of service, performance, job grade and their past contribution to our Group.

(3) The allocation is based on, amongst others, their contributions to the success of our Group and their length of business relationship with us. Persons who have contributed to the success of our Group include our business associates, suppliers and service providers, including Creador.

(ii) Allocation via balloting to the Malaysian Public

125,532,000 Issue Shares, representing 2.0% of our enlarged issued Shares, are reserved for application by the Malaysian Public, of which 62,766,000 Issue Shares have been set aside for application by Bumiputera citizens, companies, co-operatives, societies and institutions.

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

In summary, our IPO Shares will be allocated subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, in the following manner:

	Offer for Sale		Public Issue		Total	
Category	**No. of Shares ('000)**	**% of our enlarged issued Shares**	**No. of Shares ('000)**	**% of our enlarged issued Shares**	**No. of Shares ('000)**	**% of our enlarged issued Shares**
Retail Offering:						
Eligible Persons:						
- Our Directors	-	-	900	*	900	*
- Eligible employees of our Group	-	-	27,730	0.5	27,730	0.5
- Persons who have contributed to the success of our Group	-	-	7,370	0.1	7,370	0.1
Malaysian public (via balloting)						
- Bumiputera	-	-	62,766	1.0	62,766	1.0
- Non-Bumiputera	-	-	62,766	1.0	62,766	1.0
Sub-total	**-**	**-**	**161,532**	**(1)2.6**	**161,532**	**(1)2.6**
Institutional Offering:						
Bumiputera investors approved by the MITI	443,877	7.1	26,868	0.4	470,745	7.5
Other Malaysian and foreign institutional and selected investors and QIBs in the United States	309,213	4.9	-	-	309,213	4.9
Sub-total	**753,090**	**12.0**	**26,868**	**0.4**	**779,958**	**12.4**
Total	**753,090**	**12.0**	**188,400**	**3.0**	**941,490**	**15.0**

Notes:

* Negligible

(1) The total does not equate to the sum of the percentage holdings above due to rounding.

The completion of the Retail Offering and the Institutional Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement, as approved by Bursa Securities as set out in Section 4.2.9 of this Prospectus.

4.2.4 Clawback and reallocation

The Institutional Offering and the Retail Offering will be subject to the following clawback and reallocation provisions:

(i) if our Issue Shares allocated to the Eligible Persons are under-subscribed, such Issue Shares may be allocated to the other Malaysian and foreign institutional and selected investors under the Institutional Offering or the Malaysian Public under the Retail Offering or a combination of both, at the discretion of the Joint Global Coordinators and us;

(ii) if our IPO Shares allocated to Bumiputera investors approved by the MITI ("**MITI Tranche**") are under-subscribed, such IPO Shares may be allocated to other Malaysian institutional investors under the Institutional Offering.

If after the above reallocation, the MITI Tranche is still under-subscribed under the Institutional Offering, and there is a corresponding over-subscription for Issue Shares by the Malaysian Public under the Retail Offering, the IPO Shares will be clawed back from the MITI Tranche and allocated firstly, to the Bumiputera public investors under the Retail Offering, and thereafter to the other Malaysian Public under the Retail Offering;

(iii) subject to items (i) and (ii) above, if there is an over-subscription in the Retail Offering and there is a corresponding under-subscription in the Institutional Offering, our IPO Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and

(iv) subject to item (i) above, if there is an over-subscription in the Institutional Offering and there is a corresponding under-subscription in the Retail Offering, our Issue Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering.

There will be no clawback and reallocation if there is an over-subscription or under-subscription in both the Institutional Offering and the Retail Offering or an under-subscription in either the Institutional Offering or the Retail Offering but no over-subscription in the other.

Any Issue Shares not taken up by the Eligible Persons ("**Excess Issue Shares**") will be made available for application by the Eligible Persons who have applied for excess on top of their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:

(a) firstly, allocation on a pro-rata basis to our Directors and eligible employees of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for;

(b) secondly, allocation of any surplus Excess Issue Shares after (a) above on a pro-rata basis to persons who have contributed to the success of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for; and

(c) thirdly, to minimise odd lots.

Our Board reserves the right to allot Excess Issue Shares applied in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) to (c) above is achieved. Our Board also reserves the right to accept or reject any Excess Issue Shares application, in full or in part, without assigning any reason.

Once completed, the steps involving items (a) to (c) above will not be repeated. Should there be any balance of Excess Issue Shares thereafter, such balance will be made available for clawback and reallocation as described in (i) above. Any Issue Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten.

4.2.5 ESOS

In conjunction with our Listing, we have established an ESOS which involves the granting of ESOS Options to our eligible Directors and employees of our Group.

The ESOS shall be administered by the Nomination and Remuneration Committee and governed by the By-Laws.

The salient features of the ESOS are as follows:

(i) Maximum number of new Shares available under the ESOS

The total number of Shares which may be made available under the ESOS shall not exceed in aggregate five percent ("**Maximum Limit**") of our total number of issued Shares (excluding treasury shares, if any) at any one time during the duration of the ESOS.

In conjunction with our Listing, we intend to offer up to 47.4 million ESOS Options to our eligible Directors and employees of our Group, representing approximately 0.8% of our enlarged issued Shares upon Listing. The Maximum Limit of our ESOS upon Listing is 313,830,000 ESOS Options, representing five percent of our total number of issued Shares (excluding treasury shares).

(ii) Basis of allocation and maximum allowable allocation

Subject to any adjustments as may be made under the By-Laws, the aggregate number of new Shares which may be offered to our eligible Directors and employees of our Group shall be subject to the following:

(a) the aggregate number of new Shares to be issued pursuant to the exercise of the ESOS Options granted under the ESOS shall not exceed the Maximum Limit and the Nomination and Remuneration Committee shall not be obliged in any way to offer an eligible Director or employee the ESOS Options for all the specified maximum number of Shares the eligible Director or employee is entitled to under the ESOS;

(b) any offer, allocation of ESOS Options under the ESOS and the related allotment of Shares to any eligible Directors, major shareholders who are employees of our Group or the chief executive officer of our Company and any person connected with them who is an employee of our Group shall require prior approval of the shareholders of our Company in a general meeting, and they shall not vote on the resolution approving their respective offer, allocation and allotment;

(c) the eligible Directors and key senior management shall not be allowed to participate in the deliberation or discussion of their respective allocation of ESOS Options and/or allocation of ESOS Options to persons connected with them under the ESOS;

(d) not more than 10% of Shares available under the ESOS shall be allocated to any eligible Director or employee, who, either singly or collectively through the persons connected with them, holds 20% or more of the total number of issued Shares (excluding treasury shares, if any) of our Company; and

(e) any performance target to be achieved before the ESOS Options can be granted and/or exercised by an eligible Director or employee shall be determined by the Nomination and Remuneration Committee.

The basis of determining the aggregate number of our Shares that may be offered to our eligible Directors and employees of our Group under the ESOS shall be at the sole and absolute discretion of the Nomination and Remuneration Committee after taking into consideration, amongst others, the position, ranking, performance, contribution, seniority, length of service, fulfilment of the eligibility criteria as referred to in the By-Laws or such other matters which the Nomination and Remuneration Committee may in its sole and absolute discretion deems fit.

(iii) Duration of the ESOS

The ESOS shall be in force for a period of five years commencing from the effective date and is renewable for a period of up to five years immediately from the expiry of the first five years.

(iv) Eligibility

The Director or employee of any company within our Group which is not dormant shall be eligible for participation in the ESOS if at the date of offer is made in writing by the Nomination and Remuneration Committee to him ("**Offer Date**"), he:

(a) has attained 18 years of age;

(b) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(c) must have been confirmed in service and have served at least 12 months in the employment of our Group;

(d) where the employee or Director is under an employment contract, the contract is for a duration of at least one year and will not be expiring within three months from the Offer Date; and

(e) has fulfilled any other criteria as may be imposed by the Nomination and Remuneration Committee from time to time,

provided always that the selection of any eligible Director and/or employee for participation in the ESOS shall be at the sole and absolute discretion of the Nomination and Remuneration Committee, and the decision of the Nomination and Remuneration Committee shall be final and binding.

(v) Exercise price

The exercise price payable by our eligible Directors and employees of our Group upon the exercise of their ESOS Options under the ESOS shall be:

(a) in respect of any offer which is made in conjunction with our Listing, the Final Retail Price; and

(b) in respect of any offer which is made subsequent to our Listing, as determined by the Nomination and Remuneration Committee and shall be based on the five-day weighted average market price of our Shares immediately preceding the Offer Date, with a discount, if any, provided always that such discount is no more than 10.0%, if deemed appropriate, or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the option period.

The exercise price as determined in the manner set out above shall be conclusive and binding on the Grantee.

(vi) Trust

Our Company intends to establish a trust to be administered by the trustee for the purposes of implementing the ESOS ("**Trust**"). The appointed trustee shall administer the Trust in accordance with the trust deed ("**Trustee**") and shall, in particular, be responsible for the administration of the ESOS.

The Trustee shall open and maintain a trust account into which our Company and/or our subsidiaries shall inject monies for the purposes of the ESOS, in particular to enable the Trustee to use the same to subscribe for new Shares and to pay for expenses in relation to the administration of the Trust in accordance with the By-Laws. Upon expiry of the ESOS, residual monies from the sale of balance Shares (if any) in the trust account will first be applied to a sum to be agreed by the Trustee and our Company as a fee for the services of the Trustee in accordance with the trust deed to the extent it is unpaid and the balance be dealt with by the Trustee in accordance with our written instructions in the manner that the Nomination and Remuneration Committee deems fit.

The Grantee can exercise his ESOS Option(s) during the exercise period for the ESOS by way of written notice to the Company, accompanied by a remittance for the full amount of the exercise price payable to our Company for the ESOS Option(s) in respect of which notice is given. Our Company intends to use all proceeds received from the exercise of the ESOS Option(s) for our Group's working capital purposes.

Upon the Trustee receiving a written instruction from the Nomination and Remuneration Committee that a Grantee has elected to exercise his ESOS Option(s) pursuant to the By-Laws, the Trustee shall use the monies in the trust account to subscribe for such number of new Shares in respect of which the written instruction is given.

Our Company shall allot and issue the said new Shares which will be placed into a CDS account of the Trustee or its authorised nominee.

The Trustee shall transfer the Shares via approved transfers equivalent to the options exercised from its CDS account to the Grantee's CDS account.

The Board shall have power from time to time to appoint or rescind the appointment of the Trustee as it deems fit in accordance with the provisions of the trust deed.

The following is the proposed specific allocation of the ESOS Options to our eligible Directors, key senior management and persons connected with them in conjunction with our Listing:

Name	Designation	No. of ESOS Options allocated
Directors		
Tan Yu Yeh	Non-Independent Executive Director/Executive Vice Chairman	1,650,000
Ong Chu Jin Adrian	Non-Independent Executive Director/ Chief Executive Officer	830,000
Tan Yu Wei	Alternate Director to Tan Yu Yeh/Executive Vice President	1,410,000
Key senior management		
Lim Chen Hwee	Senior Vice President, Finance	680,000
Tan Yew Hock	Director and Head, Business Development	600,000
Tan Yew Teik	Director and Head, Logistics	510,000
Hoe Lye Peng	Vice President, Distribution Centre	720,000
Lau Boon Teck	Vice President, Retail Operations	720,000
Chin Guangui	Vice President, Marketing	710,000
Persons connected		
Poh Chu Tan	Area Manager, Retailing	330,000
Tan Lay Keow	Vice President, Business Intelligence	320,000
Tan Lee Ching	Area Manager, Retailing	310,000
Tan Lee Hon	Head of Department, Procurement (Household)	710,000
Tan Lee Lee	Head of Department, Procurement (Stationery & gift)	380,000
Tan Yew King	Head of Department, Information Technology	450,000
Pang Siew Hwa	Head of Department, Payroll	380,000
Tan Chin Hua	Senior Manager, Retailing	240,000
Total		**10,950,000**

Any further offer, allocation or allotment under the ESOS to any of our eligible Directors and persons connected with them other than as stated above shall require the prior approval of our shareholders in a general meeting.

Subject to the discretion of the Nomination and Remuneration Committee, in conjunction with our Listing, we intend to offer up to 47.4 million ESOS Options to our Directors and employees, who meet the eligibility criteria to participate in the ESOS as set out in the By-Laws in Annexure A of this Prospectus. Assuming the 47.4 million ESOS Options are fully exercised into 47,370,000 new Shares, such Shares represent approximately 0.8% of our enlarged issued Shares upon Listing. In compliance with item (v)(a) above, the exercise price for the said 47.4 million ESOS Options shall be the Final Retail Price.

The grant of the ESOS Options in conjunction with our Listing will not have an immediate effect on the consolidated NA and NA per Share until such time new Shares are issued when the ESOS Options are exercised.

For illustrative purposes only, based on the pro forma consolidated statements of financial position as at 30 June 2020 as set out in Section 12.5 of this Prospectus, assuming the entire 47,370,000 ESOS Options are granted and vested immediately upon Listing, and that all ESOS Options are exercised at an exercise price of RM1.60 each, being the Retail Price, the indicative pro forma financial effects are as follows:

	After our IPO	
	Upon Listing	**Upon Listing and assuming exercise of the above ESOS Options**
	RM'000	**RM'000**
NA / Total equity	689,178	764,970
No. of Shares ('000)	6,276,600	6,323,970
NA per Share (RM)	0.11	0.12
Total borrowings	153,852	153,852
Gearing ratio (times)[(1)]	0.22	0.20

Note:

(1) Gearing ratio is calculated based on our total borrowings divided by total equity.

Any potential effect on the consolidated NA per Share would depend on the number of ESOS Options that have vested and the exercise price of the ESOS Options, which shall be the Final Retail Price. In accordance with Clause 11.4 of the By-Laws (as set out in the By-Laws in Annexure A of this Prospectus), the aggregate number of Shares that a Grantee can subscribe under the ESOS Options in a particular year shall be subject to a maximum of 25% of the total number of Shares comprising the ESOS Options held by such Grantee.

4.2.6 Classes of shares and ranking

As at the date of this Prospectus, we only have one class of shares, being ordinary shares.

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

The Offer Shares rank equally in all respects with our other existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable Rules of Bursa Depository.

Subject to any special rights attaching to any Shares we may issue in the future, our shareholders shall, in proportion to the amount paid on our Shares held by them, be entitled to share the profits paid out by us in the form of dividends and 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 Act and our liabilities.

At every general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy or by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. 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.

4.2.7 Share capital

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

	No. of Shares	RM'000
After the Pre-IPO Exercise	6,088,200,000	2,070
To be issued under the Public Issue	188,400,000	(1)292,880
Total upon Listing	**6,276,600,000**	**294,950**

Note:

(1) Calculated based on the Retail Price and after adjusting against our share capital, the estimated listing expenses of approximately RM8.6 million assumed to be directly attributable to the Public Issue.

4.2.8 Priority of the offering

In the event the demand for our IPO Shares is less than 941,490,000 IPO Shares, the Public Issue shall take precedence over the Offer for Sale. The demand for our IPO Shares shall be firstly satisfied with the Issue Shares under the Public Issue, and following that, any excess demand will be satisfied with the Offer Shares under the Offer for Sale.

4.2.9 Minimum subscription level

There is no minimum subscription level in terms of proceeds to be raised under our IPO. Under the Listing Requirements, we are required to have a minimum of 25.0% of our Shares held by at least 1,000 public shareholders, each holding not less than 100 Shares at the point of Listing. However, Bursa Securities has, via its letter dated 28 June 2019, resolved to accept our Company's expected level of public shareholding spread of 15.0% upon our Listing, as in compliance with Paragraph 8.02(1) of the Listing Requirements. For further details on the conditions of the approval, see Section 2.1 of this Prospectus.

If the above requirement is not met, we may not be able to proceed with our Listing. See Section 5.4.5 of this Prospectus for details in the event there is a delay in or termination of our Listing.

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

4.3 SELLING SHAREHOLDERS

The Offer Shares to be offered by the Selling Shareholders and their respective direct shareholding in our Company before and after our IPO and their material relationship with our Group within the past three years are as follows:

		Before our IPO[1]		Shares offered pursuant to the Offer for Sale[2]		After our IPO: Upon Listing[2]		After our IPO: Upon Listing and assuming exercise of ESOS Options[3]	
Name	Material relationship with our Group	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
MDHM	Shareholder	819,900	*	819,900	*	-	-	-	-
Hyptis	Substantial shareholder	1,095,876,000	18.0	136,002,800	2.2	959,873,200	15.3	959,873,200	15.2
Tan Yu Yeh[4]	Director, key senior management, Promoter and Shareholder	245,265,100	4.0	244,675,100	3.9	590,000	*	2,240,000	*
Tan Yu Wei[4]	Director, key senior management, Promoter and Shareholder	148,062,800	2.4	148,062,800	2.4	-	-	1,410,000	*
Tan Lee Ching	Shareholder, Promoter and employee	11,711,600	0.2	11,711,600	0.2	250,000	*	560,000	*
Tan Chin Hua	Shareholder, Promoter and employee	3,920,800	0.1	3,920,800	0.1	100,000	*	340,000	*
Tan Lee Hon	Shareholder, Promoter and employee	21,048,200	0.3	21,048,200	0.3	500,000	*	1,210,000	*
Poh Chu Tan	Shareholder, Promoter and employee	13,240,900	0.2	13,240,900	0.2	250,000	*	580,000	*
Tan Lay Keow	Shareholder, Promoter and employee	8,453,800	0.1	8,453,800	0.1	500,000	*	820,000	*
Tan Yew Hock	Key senior management, Shareholder and director of one of our subsidiaries	124,908,200	2.1	15,422,657	0.2	109,985,543	1.8	110,585,543	1.8
Gan Choon Leng	Shareholder and employee	19,561,100	0.3	19,561,100	0.3	500,000	*	1,030,000	*
Tan Yew Teik	Key senior management, Shareholder and director of all of our subsidiaries	276,349,600	4.5	34,121,502	0.5	242,728,098	3.9	243,238,098	3.9

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

						After our IPO			
		Before our IPO[1]		Shares offered pursuant to the Offer for Sale[2]		Upon Listing[2]		Upon Listing and assuming exercise of ESOS Options[3]	
Name	**Material relationship with our Group**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Chong Swee Lee	Shareholder and director of all of our subsidiaries	124,908,200	2.1	15,422,657	0.2	109,985,543	1.8	110,545,543	1.8
Khoo Kwoy Kock	Shareholder and employee	14,164,100	0.2	1,748,973	*	12,665,127	0.2	13,015,127	0.2
Tan Lee Lee	Shareholder and employee	62,454,200	1.0	7,711,480	0.1	55,242,720	0.9	55,622,720	0.9
Tan Lee Ling	Shareholder	62,454,200	1.0	7,711,480	0.1	54,742,720	0.9	54,742,720	0.9
Tan Yew King	Shareholder and employee	124,908,200	2.1	15,422,757	0.3	109,985,443	1.8	110,435,443	1.8
Tan Gaik Hoon	Shareholder and employee	19,561,100	0.3	19,561,100	0.3	500,000	*	970,000	*
Toh Hooi Hak	Shareholder and employee	10,995,600	0.2	10,995,600	0.2	500,000	*	1,120,000	*
Lee Kim Keong	Shareholder and employee	2,569,400	*	317,300	*	2,302,100	*	2,532,100	*
Toh Lay Fan	Shareholder and employee	6,597,000	0.1	6,597,000	0.1	100,000	*	300,000	*
Toh Lee Soo	Shareholder and employee	4,398,600	0.1	4,398,600	0.1	500,000	*	980,000	*
Ong Chu Jin Adrian	Director, key senior management and Shareholder	49,904,000	0.8	6,161,894	0.1	43,742,106	0.7	44,572,106	0.7
	Total	**2,452,132,650**	(5)**40.3**	**753,090,000**	(5)**12.0**	**1,705,542,600**	(5)**27.2**	**1,716,722,600**	(5)**27.1**

Notes:

* Negligible.

(1) Based on our issued 6,088,200,000 Shares after the Pre-IPO Exercise.

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

(2) Based on our enlarged issued 6,276,600,000 Shares upon Listing and assuming full subscription of the Issue Shares allocated to our employees under the allocation for the Eligible Persons in respect of the Retail Offering.

(3) Based on our enlarged issued 6,323,970,000 Shares after assuming full exercise of the 47,370,000 ESOS Options intended to be offered as described in Section 4.2.5 of this Prospectus.

(4) Tan Yu Yeh and Tan Yu Wei, our Directors, key senior management and Promoters are both substantial shareholders via their indirect interest in Bee Family Limited through their shareholdings held in Yeh Family (PTC) Ltd and WEI Future Capital Ltd, respectively.

(5) The total does not equate to the sum of the percentage holdings above due to rounding.

4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM

4.4.1 Retail Price

The Retail Price was determined and agreed upon between our Directors and the Selling Shareholders in consultation with the Joint Global Coordinators, after taking into consideration the following factors:

(i) Our Group's strong growth demonstrated by the growth of our revenue and net profit for the financial year at a CAGR of 36.1% and 23.0%, respectively from FYE 31 December 2017 to 2019. Our EBITDA has also increased at a CAGR of 30.9% over the same period and during this period of growth, our EBITDA margins were at 30.2%, 29.9% and 28.0% in FYE 31 December 2017, 2018 and 2019 respectively;

(ii) PER of approximately 31.6 times based on our Group's EPS of 5.06 sen after taking into account our net profit for the financial year of RM317.6 million for FYE 31 December 2019 and our 6,276,600,000 Shares upon Listing;

(iii) Our competitive strengths, being that:

(a) we are a market leader in a growing and resilient segment of the retail sector in Malaysia;

(b) we offer attractive price-to-quality product offering, wide range of products and convenient retail experience;

(c) we implement effective cost management through a lean operating structure;

(d) we have a scalable platform that can be leveraged for future growth;

(e) we have a strong track record of profitable growth and cash generation; and

(f) we are led by an experienced founder-led management with a proven track record and incentivised workforce;

(iv) Our strategies and future plans:

(a) to continue to expand our presence and grow our network of stores to capitalise on the underpenetrated Malaysian home improvement retail market, with a target of at least 100 additional "MR. D.I.Y." stores in 2020 and approximately 100 additional "MR. D.I.Y." stores in 2021;

(b) to continue to deliver positive SSSG through increased brand awareness, attractive price-to-quality product offering and convenience to our customers; and

(c) to leverage our knowledge of local industry practices, customer preferences, direct sourcing network, and scale advantage to access new customer segments;

(v) Positive prospects of the retail and home improvement segment due to rising disposable income and growth in population and urbanisation that provide opportunities to serve new catchment areas. Furthermore, the Malaysian home improvement retail market is still underpenetrated compared to certain neighbouring countries and other advanced economies. See Section 8 of this Prospectus for details; and

(vi) Prevailing market conditions, including market trends and investor sentiments and the market performance of key global indices and companies in similar businesses to ours which are listed on Bursa Securities as well as other exchanges.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date, and will be the lower of:

(i) the Retail Price; or

(ii) the Institutional Price.

In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. See Section 4.4.3 of this Prospectus for details of the refund mechanism.

The Final Retail Price and the Institutional Price will be announced within two Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institutional Price, together with the notices of allotment for our IPO Shares.

4.4.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process wherein prospective institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of our IPO Shares they would be prepared to acquire and the price they would be prepared to pay for our IPO Shares in respect of the Institutional Offering. This bookbuilding process commenced on 6 October 2020 and will end on 14 October 2020. Upon completion of the bookbuilding process, the Institutional Price will be fixed by our Directors and the Selling Shareholders in consultation with the Joint Global Coordinators on the Price Determination Date.

4.4.3 Refund mechanism

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and Final Retail Price will be refunded to the successful applicants without any interest thereon. The refund in the form of cheques will be despatched by ordinary post to the address maintained with Bursa Depository for applications made via the Application Form or by crediting into the accounts of the successful applicants with the Participating Financial Institution for applications made via the Electronic Share Application or by crediting into the accounts of the successful applicants with the Internet Participating Financial Institution for applications made via the Internet Share Application, within 10 Market Days from the date of final ballot of applications, at the successful applicants' own risk.

For further details on the refund mechanism, see Section 15.9 of this Prospectus.

4.4.4 Expected market capitalisation

Based on the Retail Price, the total market capitalisation of our Company upon our Listing would be approximately RM10.0 billion.

You should also note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties. You are reminded to consider carefully the risk factors as set out in Section 5 of this Prospectus.

4.5 DILUTION

Dilution is the amount by which our pro forma consolidated NA per Share after our IPO is less than the price paid by retail, institutional and selected investors for our Shares. Our pro forma consolidated NA per Share as at 30 June 2020 after the Pre-IPO Exercise and before adjusting for our IPO was RM0.07, based on our number issued 6,088,200,000 Shares following the Pre-IPO Exercise.

After taking into account our enlarged number of issued Shares from the issuance of 188,400,000 Issue Shares and after adjusting for the use of proceeds from the Public Issue and the use of our internally generated funds to repay the RM400.0 million outstanding amount of our term loan as set out in Section 4.6.1 of this Prospectus, our pro forma consolidated NA as at 30 June 2020 would be RM689.2 million. This represents an immediate increase in NA per Share of RM0.04 to our existing shareholders and an immediate dilution in pro forma consolidated NA per Share of RM1.49, representing 93.1% of the Retail Price and the Institutional Price (assuming the Final Retail Price and the Institutional Price will equal the Retail Price) to the retail/institutional and selected investors.

The following table illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Final Retail Price and the Institutional Price:

	RM
Final Retail Price/Institutional Price	1.60
Pro forma consolidated NA per Share as at 30 June 2020 after the Pre-IPO Exercise and before adjusting for our IPO	0.07
Pro forma consolidated NA per Share as at 30 June 2020, after the Pre-IPO Exercise, after adjusting for the use of proceeds from the Public Issue and our internally generated funds to repay the term loan of RM400.0 million	0.11
Increase in consolidated NA per Share to our existing shareholders	0.04
Dilution in pro forma consolidated NA per Share to retail/institutional and selected investors	1.49
Dilution in pro forma consolidated NA per Share to retail/institutional and selected investors as a percentage of the Retail Price/Institutional Price	93.1%

Save as disclosed below, none of our substantial shareholders, Directors, key senior management, or persons connected to them had acquired, obtained the right to acquire and/or subscribe for our Shares in the past three years up to 23 September 2020:

Date Allotted/ Transferred	Names	No. of Shares	Allotted/ Transferred	Total Consideration (RM)	Average price per Share (RM)
13 July 2018	Hyptis	500	Transferred	156,209,790	(1)3,124.20
31 December 2018	Hyptis	600	Transferred	251,317,948	(1)4,188.63
23 September 2020(2)	Bee Family Limited	32,022,250	Allotted	52,606	*
23 September 2020 (2)	Hyptis	10,956,960	Allotted	18,000	*
23 September 2020(2)	Tan Yu Yeh	2,452,650	Allotted	4,029	*

Date Allotted/ Transferred	Names	No. of Shares	Allotted/ Transferred	Total Consideration (RM)	Average price per Share (RM)
23 September 2020[(2)]	Tan Yu Wei	1,480,628	Allotted	2,432	*
23 September 2020[(2)]	Tan Lee Ching	117,116	Allotted	192	*
23 September 2020[(2)]	Tan Chin Hua	39,208	Allotted	64	*
23 September 2020[(2)]	Tan Lee Hon	210,482	Allotted	346	*
23 September 2020[(2)]	Poh Chu Tan	132,409	Allotted	218	*
23 September 2020[(2)]	Tan Lay Keow	84,538	Allotted	139	*
23 September 2020[(2)]	Tan Yew Hock	1,249,082	Allotted	2,052	*
23 September 2020[(2)]	Tan Yew Teik	2,763,496	Allotted	4,540	*
23 September 2020[(2)]	Tan Lee Lee	624,542	Allotted	1,026	*
23 September 2020[(2)]	Tan Lee Ling	624,542	Allotted	1,026	*
23 September 2020[(2)]	Tan Yew King	1,249,082	Allotted	2,052	*
23 September 2020[(2)]	Ong Chu Jin Adrian	499,040	Allotted	820	*
23 September 2020[(2)]	Platinum Alphabet	4,338,424	Allotted	7,127	*
23 September 2020[(2)]	Gan Choon Leng	195,611	Allotted	321	*
23 September 2020[(2)]	Tan Gaik Hoon	195,611	Allotted	321	*

Notes:

* Negligible

(1) Calculated after taking into account the effect of the Subdivision.

(2) As a result of the Share Issuance which was undertaken to facilitate the re-organisation of our shareholding structure in preparation for our Listing. See Section 6.1.2 of this Prospectus for details.

4.6 USE OF PROCEEDS

We expect to use the gross proceeds from the Public Issue amounting to RM301.4 million[(1)] in the following manner:

Details of use of proceeds	Estimated timeframe for use from the date of our Listing	RM'000	%
Repayment of bank borrowings	Within 6 months	276,140	91.6
Defray fees and expenses for our IPO and Listing	Within 6 months	25,300	8.4
Total		**301,440**	**100.0**

Note:

(1) We have assumed that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

Further details on the use of proceeds from the Public Issue are as follows:

4.6.1 Repayment of bank borrowings

Our Group's total borrowings amounted to RM553.8 million as at the LPD.

We intend to use RM276.1 million from the proceeds from the Public Issue to repay the term loan of RM400.0 million granted by CIMB Bank Berhad, Malayan Banking Berhad and RHB Bank Berhad. The balance of the same term loan of approximately RM123.9 million is intended to be fully settled at the same time as the repayment of the term loan from the proceeds of the Public Issue, using our internally generated funds.

The above term loan facility of RM400.0 million and a separate revolving credit facility of RM200.0 million was drawn down on 8 March 2019, 1 April 2019 and 15 April 2019 to finance the capital expenditure to rollout new stores (RM10.0 million), working capital requirements for the purchase of inventories for our stores (RM266.0 million) and general corporate purposes of our Group which includes, to partially fund the distribution of dividends of RM500.0 million for FYE 31 December 2019 (RM224.0 million) and the acquisition of MD(B) (RM100.0 million).

The term loan facility to be repaid from the proceeds of the Public Issue bears an interest rate of cost of funds (COF) plus 1.5% per annum (effective rate of approximately 3.8% as at the LPD) and matures in March 2021 but is required to be prepaid upon completion of the IPO.

The repayment of the term loan facility is expected to have a positive financial impact on our Group with interest savings of approximately RM15.2 million per annum based on the effective rate of approximately 3.8%.

4.6.2 Defray listing expenses

The estimated fees and expenses for our IPO and Listing to be borne by us are estimated to be RM25.3 million, comprising the following:

	RM'000
Professional fees	12,890
Fees payable to authorities	1,200
Fees and expenses for printing, advertising, travel and roadshow	1,800

	RM'000
Brokerage, underwriting and placement fees	8,560
Miscellaneous expenses and contingencies	850
Total	**25,300**

The actual proceeds accruing to our Group will depend on the Institutional Price and the Final Retail Price. If the actual proceeds are higher than budgeted above, the excess will be used for additional repayment of the term loan facility described in Section 4.6.1 of this Prospectus after adjusting for the increased placement fees resulting from the higher proceeds of the Public Issue. Conversely, if the actual proceeds are lower than budgeted above, the same term loan facility will be repaid by a lower amount comprising the difference after adjusting for the decreased placement fees resulting from the lower proceeds of the Public Issue.

Given the timing of the use of proceeds to be raised from the Public Issue may not be immediate and as part of our efficient capital management to maximise profit income, we intend to place the proceeds raised from the Public Issue or any balance (including accrued profit, if any) in profit-bearing accounts with licensed financial institution(s) and/or in money-market deposit instruments/funds.

Our Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of up to approximately RM1.2 billion will accrue entirely to the Selling Shareholders. The Selling Shareholders will bear their own professional fees and placement fees, as well as other miscellaneous expenses for our IPO which is estimated to be approximately RM28.7 million.

4.7 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.7.1 Brokerage fee

We will pay brokerage in respect of our Issue Shares under the Retail Offering at the rate of 1.0% (exclusive of applicable tax) of the Final Retail Price in respect of all successful applications which 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 and/or the Issuing House.

The Joint Global Coordinators and the Joint Bookrunners are entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us or the Selling Shareholders.

4.7.2 Underwriting commission

As stipulated in the Retail Underwriting Agreement, the Joint Managing Underwriters and the Joint Underwriters have agreed to underwrite our Issue Shares under the Retail Offering for an underwriting commission of up to 1.75% (exclusive of applicable tax) of the Retail Price multiplied by the total number of Issue Shares underwritten under the Retail Offering in accordance with the terms of the Retail Underwriting Agreement.

4.7.3 Placement fee

The Selling Shareholders for the Offer Shares and us for the Issue Shares will pay the Joint Global Coordinators and Joint Bookrunners a placement fee and selling commission of 1.5% (exclusive of applicable tax) and may pay the Joint Global Coordinators and Joint Bookrunners a discretionary fee of up to 0.75% (exclusive of applicable tax) of the Institutional Price multiplied by the number of IPO Shares sold to Malaysian and foreign institutional and selected investors in accordance with the terms of the Placement Agreement.

4.8 DETAILS OF THE UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENTS

4.8.1 Underwriting

We have entered into the Retail Underwriting Agreement with the Joint Managing Underwriters and the Joint Underwriters to severally and not jointly underwrite 161,532,000 Issue Shares under the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus and upon the terms and subject to the conditions of the Retail Underwriting Agreement.

Details of the underwriting commission are set out in Section 4.7.2 of this Prospectus, while the salient terms of the Retail Underwriting Agreement are as follows:

Unless waived by the Joint Managing Underwriters and Joint Underwriters who have agreed to underwrite 161,532,000 of our Issue Shares under the Retail Offering, the underwriting obligations of the Joint Managing Underwriters and Joint Underwriters are subject to certain conditions precedent which must be fulfilled or waived on or before the closing date of the Retail Offering as stated in this Prospectus or such later date as may be agreed in writing by the Joint Managing Underwriters and Joint Underwriters.

The Joint Managing Underwriters acting under the instruction in writing of the Joint Underwriters whose underwriting commitment collectively represent more than seventy-five per cent (75%) of the aggregate underwriting commitment of all the Joint Underwriters ("**Majority Underwriters**") (for and on behalf of the Joint Underwriters) may by notice to the Company given at any time before the date of Listing, terminate, cancel and withdraw their respective underwriting commitment if:

(a) there is any breach by the Company of any of its obligations which, in the reasonable and sole opinion of the Majority Underwriters, have or could be expected to have a material adverse effect or result in material adverse change, whether individually or in the aggregate, and whether or not arising in the ordinary course of business, on any of the following: (i) the condition (financial or otherwise), contractual commitments, management, general affairs, business, assets, liquidity, liabilities, prospects, earnings, shareholders equity, properties or results of operations of the Company and the Group, taken as a whole; (ii) the ability of the Company and/or the Selling Shareholders to perform in any respect its or their obligations under or with respect to, or to consummate the transactions contemplated by, this Prospectus, the Placement Agreement or the Retail Underwriting Agreement; (iii) the ability of the Company or any Group to conduct its businesses and to own or lease its assets and properties as described in this Prospectus; or (iv) the IPO ("**Material Adverse Effect**"), or there is an occurrence of any event or discovery of any fact or circumstances resulting in a breach of any of the undertakings set out in the Retail Underwriting Agreement or rendering any of the warranties set out in the Retail Underwriting Agreement untrue or inaccurate in any respect;

(b) without prejudice to Section 4.8.1(a) above, there is failure on the part of the Company to perform any obligations contained in the Retail Underwriting Agreement which would have or likely to have a Material Adverse Effect;

(c) the Company withholds any material information from the Joint Managing Underwriters and the Joint Underwriters, which, in the reasonable opinion of the Joint Managing Underwriters and the Joint Underwriters, has a Material Adverse Effect;

(d) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of the Joint Managing Underwriters and the Joint Underwriters by reason of force majeure which has a Material Adverse Effect, or which may be reasonably expected to have or likely to have the effect of making any obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms;

(e) there shall have occurred any government requisition or other events whatsoever which has a Material Adverse Effect;

(f) there shall have occurred any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which in the opinion of the Majority Underwriters has a Material Adverse Effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:

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

   (ii) prior to the closing date of the Retail Offering,

   lower than 85% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Retail Underwriting Agreement and remains at or below that level for at least three consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;

(g) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading in securities is imposed for three consecutive Market Days or more;

(h) there shall have been announced or carried into force any new law or change in law in any jurisdiction, interpretation or application by any court or the relevant authorities, including but not limited to the SC, Bursa Securities, CCM and MITI, which in the reasonable opinion of the Majority Underwriters may (i) have a Material Adverse Effect or (ii) prejudice the success of the IPO or the Listing or have the effect of making it impracticable to enforce contracts to allot and/or transfer the IPO Shares or making any obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms;

(i) the Institutional Offering and/or the Retail Offering is stopped or delayed by the Company or any relevant authorities, including but not limited to the SC, Bursa Securities, CCM and MITI, for any reason whatsoever (unless such delay has been approved by the Joint Managing Underwriters);

(j) the closing date does not occur by 29 October 2020 or such other date as may be agreed in writing by the Joint Managing Underwriters;

(k) the Listing does not take place by 11 November 2020 or such other date as may be agreed in writing by the Joint Managing Underwriters;

(l) any commencement of legal proceedings or action against any member of the Group or any of their directors, which in the opinion of the Majority Underwriters, has a Material Adverse Effect or makes it impracticable to market the IPO or to enforce contracts to allot and/or transfer the IPO Shares;

(m) any one of the Retail Underwriting Agreement, the Placement Agreement, each lock-up letter, the Master Cornerstone Placement Agreement and each individual cornerstone placement agreement (i) is terminated or rescinded in accordance with its terms; (ii) ceases to have any effect whatsoever; or (iii) is varied or supplemented upon its terms and such variation or supplementation which has a Material Adverse Effect;

(n) any of the resolutions or approvals referred to in Clause 6.1(e) of the Retail Underwriting Agreement is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms which has a Material Adverse Effect;

(o) in the event the Listing is withdrawn or not procured or procured but subject to conditions not acceptable to the Joint Managing Underwriters;

(p) if the SC or any other relevant authority, including but not limited to Bursa Securities, CCM and MITI issues an order pursuant to Malaysian law such as to make it impracticable to market the IPO or to enforce contracts to allot and/or transfer the IPO Shares;

(q) any material statements contained in this Prospectus has become or been discovered to be untrue, inaccurate or misleading in any respect; or

(r) any other event in which Material Adverse Effect has occurred.

4.8.2 Placement

We and the Selling Shareholders expect to enter into the Placement Agreement with the Joint Global Coordinators and Joint Bookrunners in relation to the placement of up to 779,958,000 IPO Shares under the Institutional Offering, subject to the clawback and reallocation provisions as set out in Section 4.2.4 of this Prospectus, respectively. We and the Selling Shareholders will be requested to give various representations, warranties and undertakings, and to indemnify the Joint Global Coordinators and Joint Bookrunners against certain liabilities in connection with our IPO. The terms of the Placement Agreement are subject to negotiations and may include termination events that are different from those under the Retail Underwriting Agreement as set out in Section 4.8.1 of this Prospectus.

4.8.3 Lock-up arrangement

(i) We have agreed that, subject to offerings under the IPO and certain exceptions referred to in page 45 of this Prospectus, we shall not without the prior written consent of the Joint Bookrunners, to the extent applicable to us, for a period of six months from the date of Listing, directly or indirectly:

(a) issue, allot, offer, sell, contract to sell, assign, issue or sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, create any encumbrance, transfer, or dispose, directly or indirectly, conditionally or unconditionally, any Shares including any interest therein (or any securities convertible into or exercisable or exchangeable for Shares or are substantially similar to, the Shares) regardless of whether any such transaction is to be settled by the delivery of Shares or such other securities, in cash or otherwise;

(b) enter into any swap, hedge or derivative or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares (or any securities convertible into or exercisable or exchangeable for or that represent the right to receive or are substantially similar to, the Shares) regardless of whether any such transaction is to be settled by the delivery of Shares or such other securities, in cash or otherwise;

(c) deposit any Shares (or any securities convertible into or exchangeable for or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, the Shares) in any depository receipt facilities; or

(d) agree (conditionally or unconditionally) to enter into or effect any transaction, or announce any intention to carry out any transaction, with the same economic effect as any transactions described in paragraphs (a) to (c) above.

(ii) (1) The Promoters (other than Yeh Family (PTC) Ltd, WEI Future Capital Ltd, Tan Lee Ching, Tan Lee Hon, Tan Lay Keow, Tan Chin Hua and Poh Chu Tan) and MDHM, have agreed that they shall not, for a period of six months from the date of Listing, and (2) all of the Selling Shareholders (other than Hyptis, MDHM, Tan Yu Yeh, Tan Yu Wei, Tan Lee Ching, Tan Lee Hon, Tan Lay Keow, Tan Chin Hua, Poh Chu Tan, Toh Hooi Hak, Toh Lay Fan and Toh Lee Soo), and also Platinum Alphabet, have agreed that they shall not, for a period of three months from the date of Listing, in each case without the prior written consent of the Joint Bookrunners, directly or indirectly:

(a) offer, pledge, sell, contract to sell, mortgage, charge, assign, issue or sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, or create any encumbrance, lend, hypothecate or otherwise transfer or dispose of, or agree to transfer or dispose of, directly or indirectly, conditionally or unconditionally, any Shares including any interest therein (or any securities convertible into or exercisable or exchangeable for Shares or are substantially similar to, the Shares) (i) held by it as at the date hereof and (ii) acquired by it after the date hereof and until and including the date of Listing of the Shares, other than (iii) the Shares being offered and sold by the shareholder in connection with the IPO and the Shares which are the subject of ESOS Options as referred to below (the Shares referred to in (i) and (ii), excluding (iii) shall be referred to as the "**Relevant Shares**"), regardless of whether any such transaction is to be settled by the delivery of Shares or such other securities, in cash or otherwise. In respect of MDHM, the Relevant Shares also include the Charged Shares, referred to in Sections 9.1.2 and 9.1.3 of this Prospectus, if any is transferred to MDHM during the lock-up period;

(b) enter into any swap, hedge or derivative or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant Shares (or any securities convertible into or exercisable or exchangeable for or that represent the right to receive or are substantially similar to, the Shares), regardless of whether any such transaction is to be settled by the delivery of Shares or such other securities, in cash or otherwise;

(c) deposit any of the Relevant Shares (or any securities convertible into or exchangeable for or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, the Shares) in any depository receipt facilities;

(d) sell, transfer or otherwise dispose of any interest in any shares in any company or other entity controlled by it which is directly, or through another company or other entity indirectly, the beneficial owner of the Relevant Shares; or

(e) agree (conditionally or unconditionally) to enter into or effect any transaction, or announce any intention to carry out any transaction, with the same economic effect as any transactions described in paragraphs (a) to (d) above.

The restrictions in Sections 4.8.3(i) and (ii) above do not apply to (1) the ESOS Options granted prior to Listing and such further or other grant of ESOS Options after the date of Listing, and, upon their exercise, the Shares offered, issued and/or allotted to the directors and employees of the Group in accordance with its ESOS; and (2) the Shares that are issued or sold pursuant to the IPO.

(iii) Hyptis has agreed that it shall not, for a period of six months from the date of Listing, without the prior written consent of the Joint Bookrunners, directly or indirectly:

(a) offer, pledge, sell, contract to sell, mortgage, charge, assign, issue or sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, or create any encumbrance, lend, hypothecate or otherwise transfer or dispose of, or agree to transfer or dispose of, directly or indirectly, conditionally or unconditionally, any Shares including any interest therein (or any securities convertible into or exercisable or exchangeable for Shares or are substantially similar to, the Shares) (i) held by it as at the date hereof and (ii) acquired by it after the date hereof and until and including the date of Listing of the Shares, other than (iii) the Shares being offered and sold by Hyptis in connection with the IPO and such Shares and Charged Shares referred to in Sections 9.1.2 and 9.1.3 of this Prospectus (the Shares referred to in (i) and (ii), excluding Shares and Charged Shares referred to in (iii) shall be referred to as, the "**Relevant Shares**"), regardless of whether any such transaction is to be settled by the delivery of Shares or such other securities, in cash or otherwise;

(b) enter into any swap, hedge or derivative or other transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant Shares (or any securities convertible into or exercisable or exchangeable for or that represent the right to receive or are substantially similar to, the Shares), regardless of whether any such transaction is to be settled by the delivery of Shares or such other securities, in cash or otherwise;

(c) deposit any of the Relevant Shares (or any securities convertible into or exchangeable for or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, the Shares) in any depository receipt facilities;

(d) sell, transfer or otherwise dispose of any interest in any shares in any company or other entity controlled by it which is directly, or through another company or other entity indirectly, the beneficial owner of the Relevant Shares; or

(e) agree (conditionally or unconditionally) to enter into or effect any transaction, or announce any intention to carry out any transaction, with the same economic effect as any transactions described in paragraphs (a) to (d) above.

The restrictions in Section 4.8.3(iii) above does not apply to (1) ESOS Options granted prior to Listing and such further or other grant of ESOS Options after the date of Listing, and, upon their exercise, the Shares offered, issued and/or allotted to the directors and employees of the Group in accordance with its ESOS; (2) the Shares that are issued or sold pursuant to the IPO; (3) a charge of up to 311.1 million Charged Shares as referred to in Sections 9.1.2 and 9.1.3 of this Prospectus to a financier for which there shall be no sale, transfer or assignment of the Charged Shares during the lock-up period, save that such Charged Shares which shall be subject to such arrangements as described in Sections 9.1.2 and 9.1.3 of this Prospectus; and (4) the transfer of the Charged Shares pursuant to such arrangements as described in Sections 9.1.2 and 9.1.3 of this Prospectus.

4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of our IPO Shares.

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

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.

Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

(i) to facilitate a share buy-back;

(ii) to facilitate conversion of debt securities;

(iii) to facilitate company restructuring process;

(iv) where a body corporate is removed from the Official List;

(v) to facilitate a rectification of any error; and

(vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

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

It is expected that our Shares will commence trading on Bursa Securities approximately 10 Market Days after the close of the Institutional Offering. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

5. RISK FACTORS

Before investing in our Shares, you should pay particular attention to the fact that we and to a large extent, our business and operations are subject to the legal, regulatory and business environments in Malaysia and Brunei. Our operations are also subject to a number of factors, many of which are outside our control. Before making an investment decision, you should carefully consider, along with the other matters in this Prospectus, the risks and investment considerations set out below.

5.1 RISKS RELATING TO OUR BUSINESS

5.1.1 The success of our business is dependent on the "MR. D.I.Y." brand and its associated brands and our reputation. Any adverse impact on the perception or value of these brands or our reputation may materially and adversely affect our business, financial condition, results of operations and prospects.

(a) We may be affected by events, publicity or the activities of third parties that have an adverse impact on the brands that we use or our reputation.

Our reputation, as well as the value of the "MR. D.I.Y." brand and its associated brands, are critical to our ability to attract customers to shop at our stores and maintain our relationships with our business partners. The occurrence of events which draw negative publicity to or otherwise adversely impact our reputation or damage the "MR. D.I.Y." brand and its associated brands may deter consumers from shopping at our stores and buying our products. The occurrence of such events may also negatively impact the willingness of our business partners, including manufacturers, distributors, other suppliers and mass merchandise retailers to conduct business with us. Such events include incidents relating to the quality or safety of our products or negative comments from the general public, our customers or our business partners regarding our products, our stores or our business practices which may be beyond our control. Additionally, our reputation and the "MR. D.I.Y." brand and its associated brands may be adversely affected by the actions of our employees and business partners, including our manufacturers and distributors, the China-based freight management service providers which we use, trading houses, mass merchandise retailers or other stakeholders, which we may not be able to control or regulate. The significant expansion in the use of social media over recent years has compounded the potential for negative publicity that could be generated by any negative events. An erosion of trust and confidence in our business or the "MR. D.I.Y." brand and its associated brands could undermine our customers' confidence in our products, reduce demand for our products, adversely affect our relationships with our stakeholders and adversely impact our business, financial condition, results of operations and prospects.

The "MR. D.I.Y." brand and its associated brands are also used by our affiliates which we have no control over, in jurisdictions outside of Malaysia and Brunei under licences from our Founder. As the "MR. D.I.Y." brand and its associated brands are integral to our corporate identity, we are reliant on the goodwill of these brands. Consequently, if the activities of such affiliates result in negative publicity which adversely affect the "MR. D.I.Y." brand and its associated brands, whether in or outside of Malaysia and Brunei, our reputation, and consequentially our business, results of operations and prospects, may be adversely affected.

(b) Any material issue with the quality of our products could adversely affect our business, financial condition and results of operations.

The import, transportation, storage, handling and sale of products entails the inherent risk of product damage, deterioration or defect, which could potentially lead to product recalls, liability claims and adverse publicity. If the products we sell are contaminated, damaged or defective, contain other unintended features that could result in illness or injury or are otherwise non-compliant with applicable regulatory standards (including any certification requirements), we may become subject to product liability claims, regulatory enforcement actions or have to recall our products, which could result in negative publicity and harm to our reputation and the brands that we use. For example, we rely on third-party trading houses to obtain the required certification for certain of the products that they supply to us. If we or such third-party trading houses fail to obtain the required certification for the products we sell, we may be subject to financial penalties by regulators, and may be required to cease the sale or distribution of such products. See Sections 7.11, 7.27.1(vi) and 7.27.1(x) of this Prospectus for further details. We are also, from time to time, subject to compliance checks by the Energy Commission of Malaysia, either through audits of our stores, the factories in which our products are produced or samples from the products we import.

In 2019, through a group-wide review conducted by us, we identified a number of products which were sold at our stores which we believe did not comply with the SIRIM standards or MCMC standards as required under applicable law. During FYE 31 December 2019, we ceased sales of such uncertified products, which accounted for approximately 5.3% of our revenue in FYE 31 December 2018. Of these previously uncertified products, during FYE 31 December 2019, we obtained the required compliance certification for products which accounted for approximately 1.4% of our revenue in FYE 31 December 2018. Although we have not become subject to any financial penalties or claims in connection with our sale of such uncertified products, there can be no assurance that we will not become subject to such penalties, claims or other proceedings in connection with such sales or that such penalties, claims or other proceedings will not have a material adverse effect on our business, prospects, financial condition and results of operations. For further details of the potential penalties that may be imposed on us for such non-compliances, see Section 7.27.1 of this Prospectus.

As a significant number of products we sell are our "white-label" products (products sold under the "MR. D.I.Y." brand), we may be perceived by the general public to be responsible for the design, manufacture, marketing and sale of any such contaminated, damaged, defective or non-compliant white-label products. Any negative publicity or claims in respect of such products would adversely affect our reputation and the brands that we use.

(c) We may not be able to adequately protect the Trademarks which we use in our business.

We believe that the Trademarks associated with the "MR. D.I.Y.", "MR. TOY" and "MR. DOLLAR" brands and their associated brands, are integral to our corporate identity, and have substantial value and have contributed significantly to the success of our business. The Trademarks were assigned to us by Tan Yu Yeh and Iconic Edge Ltd, a company wholly-owned and controlled by Tan Yu Yeh, under the Deeds of Assignment, and comprise registered marks and also unregistered marks, for which applications for registration have been made. For further details on the Trademarks, see Annexure C of this Prospectus.

As at the date of this Prospectus, the assignment of the Trademarks under the Deeds of Assignment are pending registration with the Intellectual Property Corporation of Malaysia and the Brunei Intellectual Property Office. Prior to the completion of the registration of the assignment of the Trademarks to us, although we own and retain the right to use the Trademarks exclusively in Malaysia and Brunei, our ability to enforce our rights in respect of the Trademarks is restricted as we are unable to commence legal proceedings under the Trademarks Act 2019 against third parties to protect our rights in respect of the Trademarks.

The process of registering the assignment of the trademarks includes a submission of an application to the Intellectual Property Corporation of Malaysia and the Brunei Intellectual Property Office, as the case may be. Barring any unforeseen circumstances, the timeframe to complete the process of registering the assignments of the trademarks is estimated to be up to 18 months, and there can be no assurance that the applications to register the assignment of the Trademarks will be successful.

Furthermore, before the registration of the assignment of the unregistered Trademarks can be completed, these unregistered Trademarks must first be registered with the Intellectual Property Corporation of Malaysia and the Brunei Intellectual Property Office. As at the date of this Prospectus, the registration of the unregistered Trademarks have not been completed.

The process of registering a trademark includes the submission of a duly completed application form to the Intellectual Property Corporation of Malaysia and the Brunei Intellectual Property Office, as the case may be. Such application will be subject to the process of formal and substantive examinations at the Intellectual Property Corporation of Malaysia and the Brunei Intellectual Property Office, as the case may be. Thereafter, the trademark will be subject to publication and is open to opposition, prior to its registration. Barring any unforeseen circumstances, the timeframe to complete the registration of an unregistered trademark, with no objections and unopposed, is estimated to be up to 24 months, and an objection or opposition to the application for registration may result in a delay in the said trademark registration by up to several years. There can be no assurance that the registration of the unregistered Trademarks will be completed quickly or that it will be successful.

If we are unable to protect our rights in respect of the Trademarks, including our rights to use the Trademarks and to prevent third parties (including our competitors) from using our Trademarks, our business may be materially and adversely affected. In particular, if a third party utilises our Trademark to conduct activities in competition with our business, such as the sale of products using our Trademarks, this may confuse our customers and negatively affect customers' perception of the "MR. D.I.Y.", "MR. TOY" and "MR. DOLLAR" brands and their associated brands, our reputation, stores and products, and adversely affect our business, results of operations, prospects, as well as our sales and profitability.

5.1.2 We may not be able to successfully implement our strategies to grow our business which would limit our growth prospects.

Our present growth strategy depends on our ability to grow our store network, to operate these stores profitably and to increase our sales. Our ability to successfully implement these strategies are subject to various risks.

(a) Our business and operations are limited to Malaysia and Brunei.

Our growth strategies are focused on expanding our business within Malaysia and Brunei. Although we own the Trademarks that we use in our business in Malaysia and Brunei through the Deeds of Assignment, we do not have ownership of any of the similar trademarks outside of Malaysia and Brunei. Furthermore, our substantial shareholders continue to hold a controlling interest in entities that carry on retail operations similar to us under the brand name of "MR. D.I.Y." in Thailand, Singapore, Indonesia, Philippines, Cambodia, Laos and possibly elsewhere. As at the LPD, our Founder has also licensed the use of the "MR. D.I.Y." brand to a third party for its retail operations in India.

(b) We may not be able to successfully expand our store network.

The expansion of our store network requires substantial resources including financial resources, management's time, operational resources, technological infrastructure, and other resources. For example, to support the expansion of our store network, we will need to attract, train and retain sufficient talented personnel to operate our stores and related business processes, such as corporate administrative, accounting and management processes, and warehousing and logistics operations. We will also need to successfully identify and secure suitable sites for new stores and obtain the funding required to open and operate these stores. There is no assurance that we will be able to secure the resources required to expand our store network, whether at the same rate as we have done so in the past or at all. Furthermore, as we expand our store network in Malaysia and Brunei, or if our competitors successfully expand their store networks in Malaysia and Brunei, these markets may become increasingly saturated and we may not be able to continue to successfully open new and profitable stores in these markets, whether at the same rate as we have been able to do so in the past or at all or maintain the profitability of our existing stores.

Following the implementation of the MCO by the Government of Malaysia on 18 March 2020, which generally prohibited or restricted a wide spectrum of commercial activities in Malaysia, we have had to delay the opening of a number of new stores in Malaysia in compliance with the MCO. Although such prohibitions and restrictions have been relaxed and/or lifted in connection with the implementation of the CMCO and the RMCO, which has allowed us to continue to open new stores, there can be no assurance that new or further restrictions or prohibitions will not be implemented and any of such restrictions or prohibitions could materially and adversely affect our ability to grow our store network.

(c) Our new stores may not be profitable and we may not be able to maintain the profitability of our existing stores.

The profitability and financial performance of our new and existing stores depend on a number of factors, including our ability to adequately manage our costs and other operational expenses incurred to operate and grow our store network, such as product costs, labour costs, capital expenditure costs and other operational expenses. If we are unable to effectively manage our inventory and product distribution systems, adapt our accounting, operational and IT systems to efficiently support our growing store network, and utilise our workforce in an efficient manner, our operational costs may increase. Our profit may be materially adversely affected to the extent we are unable to pass on any increasing costs to our customers (such as, among others, increases in merchandise or transportation costs), or where such costs are passed to our customers, demand is affected as a result of an increase in the price of our products and services. Additionally, our new stores may not be profitable immediately or at all. The establishment of new stores may lower our profit in the short term until sufficient revenue is generated from these new stores to cover the costs of setting up and operating these stores. As a result, our profit may decrease as our store network increases. Furthermore, as we expand our store network in Malaysia and Brunei, or if our competitors successfully expand their store networks in Malaysia and Brunei, these markets may become increasingly saturated and we may not be able to continue to operate our existing stores profitably or maintain the profitability of our existing stores. There can be no assurance that we will be able to successfully maintain or improve our profitability.

The performance of our new stores will also be significantly impacted by our ability to test and implement profitable store concepts and to identify and secure suitable sites with sufficient consumer traffic for our new stores. Such locations are generally in high demand in Malaysia, particularly in urban centres within Klang Valley in Malaysia. A continued increase in property prices in Malaysia will increase the costs that we incur in securing new locations for our stores and may increase our costs associated with operating our stores in their existing locations. There can be no assurance that we will be able to secure long-term tenancies for our new stores, nor that we will be able to negotiate tenancies and renewal terms that are commercially acceptable to us. Given that some of our stores are located within the premises of mass merchandise retailers such as Tesco and Giant, our financial condition, business, prospects and results of operations may vary based on our ability to maintain a positive business relationship with such retailers and their financial condition. If our relationships with or the commercial terms of our arrangements with our landlords or such mass merchandise retailers deteriorates, the profitability of our stores could be adversely affected.

Our stores' sales performance is also generally dependent on the strength of the general economy and the level of consumer spending in Malaysia and Brunei. These may be adversely affected by many factors which are beyond our control, including the outbreak of pandemics of infectious disease such as the COVID-19 pandemic. For example, our store sales declined in March and April 2020 during the MCO implemented by the Government of Malaysia in response to the COVID-19 pandemic and which took effect on 18 March 2020, as we were required to temporarily close all of our stores in Malaysia by 22 March 2020. If the COVID-19 pandemic persists or worsens in Malaysia or Brunei, particularly in the local areas where our stores are located, even if our stores were permitted to operate, this could adversely affect customer footfall to our stores, which would in turn result in a decrease in our store sales. See also Sections 5.1.6 and 5.2.1 of this Prospectus for further details.

If we are unable to successfully implement our strategies as a result of any of the above or other factors, the growth of our business may be negatively impacted and this could have a material adverse effect on our business, prospects, financial condition and results of operations.

5.1.3 We operate out of a centralised distribution centre consisting of a cluster of closely located properties and if our capital investments in our supply chain and distribution infrastructure do not keep pace with our expanding store network, or do not achieve appropriate returns, our competitive position, financial condition and results of operation may be adversely affected.

Our distribution network is concentrated around our distribution centre consisting of a cluster of 11 closely located properties situated in Balakong, Seri Kembangan, Selangor, Malaysia and one property situated in Port Klang, Selangor, Malaysia through which all of our products are distributed to our stores in Malaysia and Brunei. In the event we are unable to renew our existing leases for our distribution centre (or our warehousing and distribution facilities), or there is any significant disruption in the operation of the distribution centre or its individual warehousing facilities due to natural disasters or events such as fire, accidents, prolonged power outages, system failures or other unforeseen causes, which could damage a significant portion of our inventory, or any proceedings or actions by a regulatory or governmental body as a result of any non-compliance with applicable laws or regulatory requirements, this could adversely affect our product distribution and sales until such time as we can secure an alternative means of product storage and distribution. For further details of our non-compliances, see Sections 5.1.13 and 7.28 of this Prospectus.

The outbreak of COVID-19 has also imposed additional restrictions and obligations on our operations at our distribution centre as we have been required to comply with social distancing measures and strict hygiene requirements to contain the COVID-19 outbreak since the implementation of the MCO on 18 March 2020. These restrictions and obligations continue to apply under the CMCO and RMCO phases. For further details on the measures we have implemented to protect the health and safety of our employees, see Section 7.23 of this Prospectus. Although we have not been required to close or temporarily halt our operations at our distribution centre as it was deemed to provide an "essential service", we may be required to do so in the future in the event that any of our employees develop COVID-19, or if the RMCO or similar restrictions are extended or enhanced in the future. Our distribution centre and warehousing facilities are located in close physical proximity, which may increase the potential for the spread of COVID-19 among our employees. If there is an outbreak of COVID-19 in our distribution centre or any of our warehousing facilities, we would be required to close those affected warehousing facilities and would only be permitted to reopen them after obtaining approval from the relevant local authority, which may require us to implement certain measures, such as disinfecting our premises, quarantining our employees who were exposed to the COVID-19 outbreak and ensuring that our employees are tested for and found not have been infected by COVID-19, which may take up to 14 days, being the current quarantine period prescribed by the relevant local authorities, or longer depending on the requirements imposed by the relevant local authorities at the time. Additionally, we may need to hire additional staff to enable us to reopen and operate our distribution centre and/or warehousing facilities. Our operations would be disrupted by such closure and these disruptions could be material if they affect several of our warehousing facilities simultaneously. In such an event, our ability to restock our stores will be significantly disrupted and we cannot ensure that critical systems and operations will be restored in a timely manner or at all. If we are unable to restore our operations to distribute products to our stores, our store operations may be materially disrupted and our business may be materially and adversely affected.

In addition, while we maintain fire insurance to cover losses in respect of damage to our property and inventory resulting from fires, as we do not currently maintain any business interruption insurance, we would not be able to recoup any other costs or losses that result from fires or other disruptions or disasters.

In order to stay competitive, we may be required to make further investments in our supply chain and distribution infrastructure, including our distribution centre, and in technological systems. We are currently making, and expect to continue to make, significant investments in expanding the warehousing capabilities of our distribution centre to be able to serve the anticipated growth in our store network. For further details, see Section 7.10 of this Prospectus. There can be no assurance that we will be able to make such investments in a timely manner or at all, that such investments will be successful or that such investments will yield any return at all.

5.1.4 We are vulnerable to infringement claims by third parties relating to their intellectual property rights.

Due to the large number and range of products we carry, particularly in relation to our white-label products, we are vulnerable to claims by third parties that our sale of a certain product breaches such third party's intellectual property rights. For instance, our white-label products might bear resemblances to other established brands. Furthermore, we generally rely on our end suppliers, including our manufacturers to ensure that our products do not infringe third party intellectual property rights. However, even in the event that an infringement of third-party intellectual property rights may be attributable to or caused by the error or fault of one of our end suppliers, we are likely to be subject to claims and adverse publicity. As we typically do not have written contracts with our end suppliers, we may not have any contractual recourse to our end suppliers for such claims. We may incur significant costs to defend against such claims by third parties or to enforce the intellectual property rights that we use, and there can be no assurance that we would prevail in any such proceedings. Such proceedings, including litigation, may result in a diversion of our resources and may lead to counterclaims or claims from other parties against us, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

5.1.5 We may not timely identify or effectively respond to consumer preferences, needs, expectations or trends, which could adversely affect our relationship with customers, our reputation, the demand for our products, and our market share.

Our success depends in part on our ability to identify and respond promptly to evolving changes in consumer preferences, expectations and needs, and demographic trends, while managing appropriate inventory levels in a broad range of product categories and maintaining a satisfactory customer experience. It is difficult to successfully predict the products our customers will demand. If we fail to source and market such products, or to accurately forecast changing customer preferences, and fail to implement competitive and effective pricing and promotion strategies, we could experience a decrease in the number of customer transactions at our stores and a decrease in the amount customers spend when they visit our stores. The COVID-19 pandemic, and the difficult economic climate arising from it, may also alter consumers' spending habits, preferences and needs. For example, in light of the COVID-19 outbreak, we saw customer demand for items such as face masks, face shields and hand sanitiser. A decline in customers' demand for our products could have a material adverse effect on our business, prospects, financial condition and results of operations.

In addition, customer expectations about the methods by which they purchase and receive products or services may become more demanding, especially as we increase sales through our dedicated e-commerce website or other third-party e-commerce retail platforms. If, as a result of the COVID-19 pandemic and the implementation of the MCO, consumers are deterred from visiting our stores and prefer to use e-commerce retail platforms to purchase our products instead, we will need to adapt our business model to cater to such shift since our e-commerce business is still a proportionately smaller part of our business. Customers are routinely, and will continue to become more proficient in, using the internet to rapidly compare products and prices, determine real-time product availability, and purchase products. We must continually anticipate and adapt to these changes in the purchasing process. In particular, customers of our e-commerce website often expect quick, timely, and low-price or free delivery, and while we have engaged third party small-package delivery service providers, we cannot guarantee that these or future programs will be implemented successfully or that we will be able to meet customer expectations on delivery times, options and costs. For example, following the implementation of the MCO on 18 March 2020, our sales through our e-commerce website and third party e-commerce retail platforms increased and as a result of the surge in orders, we were, in some instances, unable to cope with the sharp increase in online orders and had to delay, and in some cases could not fulfil, certain orders, which led to us receiving customer complaints.

Further, the design of our stores are based on largely standardised templates. For further details, see Section 7.4.3 of this Prospectus. As a result of this emphasis on a standardised and modular store design, we may experience difficulties in providing a different shopping experience in the event of a change in customer preferences and expectations in different geographic locations. Failure to timely identify or respond to changing consumer preferences, expectations and needs negatively impact the demand for our products and services, and our market share.

5.1.6 The outbreak of pandemics of infectious disease (such as COVID-19) or other health epidemics may adversely affect our business, results of operations and financial condition.

The outbreak of pandemics of infectious disease or other health epidemics may create substantial economic uncertainty in financial and commercial markets, adversely affect operations, consumer spending, and lead to a decline in overall economic activity. The outbreak of the COVID-19 pandemic has resulted in significant economic uncertainty and global instability, and this has led to a decline in economic activity in many countries, including Malaysia. In response to the COVID-19 pandemic, the Government of Malaysia implemented the MCO on 18 March 2020, which imposed a number of restrictions that adversely impacted Malaysia's economic activity. Under the MCO, business premises, except businesses deemed to provide an "essential service", were required to cease operations for the duration of the MCO restrictions. As a result of the MCO, we temporarily closed all of our stores in Malaysia by 22 March 2020. Although we received approvals from the relevant authority in Malaysia in April 2020 to reopen our stores, we were required to reopen our stores in phases and such approval also included restrictions on the number of hours per day and/or number of days per week which our stores could operate. While the implementation of the CMCO and RMCO has resulted in the relaxing of certain of the prohibitions and restrictions imposed, allowing us to further resume the operations of our stores, there can be no assurance that such restrictions and/or prohibitions will not be reintroduced or increased in the future. Based on our unaudited consolidated management accounts for the months of April, May and June 2020, our revenue for the months of May and June 2020 increased to RM233.5 million and RM232.1 million, respectively, compared to our revenue of RM51.0 million in April 2020 (based on our unaudited consolidated management accounts for the months of April, May and June 2020) and our average monthly revenue of RM189.6 million in FYE 31 December 2019. While we have experienced an increase in revenue for May and June 2020, there can be no assurance that we will be able to maintain such financial results over a sustained period of time or at all in the future. We may in the future face further disruptions to our store operations if the COVID-19 pandemic persists or worsens in Malaysia or if there is a pandemic or outbreak of other infectious diseases or other health epidemics, or if the RMCO restrictions are extended or enhanced. These factors may lead to lower levels of footfall at our stores and, consequently, lower sales, which could adversely affect our financial performance. In addition, we may face disruptions to our business if we are required to temporarily close a store or business premise in the event that an employee or customer tests positive for COVID-19. In April 2020, we closed one of our stores in Sabah, Malaysia for two weeks for it to be cleaned and disinfected after one of our employees working at the store tested positive for COVID-19. Additionally, as we do not have business interruption insurance coverage, any losses that we may incur as a result of the required reduced operations of our stores are not recoverable under our insurance policies. For further details on the impact of the COVID-19 pandemic and the implementation of the MCO on our business, see Sections 5.1.2(b), 5.1.2(c), 5.1.3, 5.1.5, 5.1.15, 5.2.1, 5.4.6, 7.2.1(iii), 7.2.1(v), 7.2.2(ii), 7.4.2, 7.4.6, 7.4.7(iii), 7.10.1, 7.18, 7.19, 7.23, 7.25, 12.2.1, 12.2.2, 12.2.3, 12.2.4, 12.2.5 and 12.2.12 of this Prospectus.

The COVID-19 pandemic, or the outbreak of pandemics of other infectious diseases or other health epidemics in the future, may also impact our ability to access and ship products to and from impacted locations. As of 30 June 2020, we imported approximately 74.3% of our products from end suppliers outside of Malaysia, with China being our dominant import source. While we have not experienced any material shortage in inventory and product supply as a result of lockdowns or other restrictions in the countries where our end suppliers conduct their operations, if, in response to the COVID-19 pandemic (or other such pandemics or epidemics), the Chinese government or the governments of any other countries in which our end suppliers or other supply chain logistics services providers conduct their operations, implements restrictions on international trade or on domestic economic activity, this could adversely affect the operations of our end suppliers and supply chain logistics service providers, which would in turn affect our business and operations. As a result of certain restrictions imposed by the Chinese government to contain the spread of COVID-19, we experienced certain delays in imports of merchandise from China in February and March 2020. Although our inventory level were adequate to address such delays, there can be no assurance that we will have sufficient inventory to adequately address any future delays in our supply chain. Since 1 January 2020 up to the LPD, certain of our end suppliers in Malaysia have been required to temporarily cease operations as a result of the implementation of the MCO. Although our business was not materially affected in inventory levels as a result of such cessations and we have been able to meet our operational supply requirements during such period, there can be no assurance that we will be able to do so in the future or that alternative suppliers will be able to supply us with the same quantity and quality of products and at an equivalent price. There can be no assurance that our major suppliers will not be required to cease operations, whether temporarily or permanently, if the COVID-19 pandemic persists or worsens or if the Government of Malaysia implements further restrictions or prohibitions. If the COVID-19 pandemic persists or worsens, whether in Malaysia or in other countries, such developments may lead to the re-introduction of restrictions on economic activity, possibly for longer durations, which may result in material disruptions to our supply chain. As the COVID-19 situation remains fluid, the full extent of COVID-19's impact on our business, results of operations and financial condition remains uncertain and cannot be predicted.

5.1.7 If our domestic or international supply chain are disrupted for any reason, including as a result of changes in international policies or the failure of any of our key suppliers to meet their commitments to us, our business, results of operations and financial condition could be adversely affected.

A majority of our products sold are sourced from domestic and international end suppliers, comprising manufacturers and distributors, and their ability to reliably and efficiently fulfil our orders is critical to our business success. China is our dominant import source. In FYE 31 December 2019 and FPE 30 June 2020, approximately 72.4% and 73.4%, respectively, of our products were sourced from end suppliers based in China. With China being our dominant import source, we may be especially sensitive to changes in domestic Chinese export policy which affects our end suppliers' and supply chain service providers' ability to supply products to us. Such changes may relate to capital controls, foreign currency exchange restrictions and the validity and export licensing restrictions. Our international supply chain may also be disrupted as a result of factors beyond our or our end suppliers' control, such as political instability, military conflict, acts of terrorism, trade restrictions, tariffs, fluctuations in currency exchange rates, any disruptions in our end suppliers' logistics or supply chain networks or information technology systems, labour unrest, changes in the transportation and other logistics costs (such as fuel and labour costs), port labour disputes, weatherrelated events, natural disasters, work stoppages, and shipping capacity restraints, which could in turn disrupt our business.

Additionally, as our business grows, our supply chain may become increasingly complex and involve international supply chain networks. If our supply chain network is disrupted, or if a supply chain service provider fails to deliver on its commitments, we could experience delays in inventory, increased supply costs or inventory shortage, which could lead to lost sales, stock loss and decreased customer confidence, and adversely affect our results of operations.

We also engage a China-based freight management service provider to consolidate, warehouse and coordinate our import purchases from our end suppliers in China to optimise our freight costs. If such service provider were to discontinue its operations, not perform its commitments or face significant delays in the performance of its commitments due to port security considerations, capacity limitations and other unexpected events, our supply chain networks may be disrupted. We may not be able to identify or secure similar service providers at commercially acceptable terms or at all, which would adversely affect our operations. Furthermore, certain trading houses provide us with the import agency services required to support our present and future business, including obtaining certifications and approvals for products for which they supply us. If any of these trading houses experience financial difficulties, non-compliance with applicable laws, or otherwise discontinue operations or are unable to perform as expected or if we fail to manage them properly or we are unable to replace them quickly, we could be subject to enforcement actions and/or our business could be adversely affected.

We engage with a large number of end suppliers, comprising manufacturers and distributors, and have also formed exclusive relationships with selected end suppliers of third-party brands to be the sole marketer of their goods in Malaysia. If we are unable to manage and expand these alliances and relationships or identify alternative sources for comparable brand name products, we may not be able to execute our strategies to increase sales, which may impact our sales and results of operations. While we are not dependent on any one end supplier, replacing one end supplier with another may result in us experiencing certain losses in the duration it takes for the new end supplier to be accommodated into our supply chain, and for that end supplier's products to be distributed to and stocked in our stores.

5.1.8 Failure of a key technology vendor or a key information technology system or process could adversely affect our business.

Our associated technology vendor, Qube, provides us software that automates large aspects of our inventory management and re-stocking processes at our distribution centre. If Qube were to discontinue its operations and we were unable to find a replacement in a timely manner, or if we were no longer able to deploy this software for any other reason, we may experience significant disruption and inconvenience managing our product inventory due to the deep integration of this software with our inventory management processes. In such an event, we would have to transition our inventory management processes to another technological solution, during which time we would likely have to deploy manual inventory management, stock taking and re-stocking procedures. This would result in the loss of significant man-hours and organisational efficiencies.

Our business is substantially supported by our information technology systems and servers, some of which are managed or provided by third party service providers, to analyse, process, store, manage and protect transactions and data. In managing our business, we require the integrity of, security of, and consistent access to, this data for information such as sales, customer data, merchandise ordering, inventory replenishment and order fulfilment. Our systems and the third party systems which we use are subject to damage or interruption from a number of causes, including power outages; computer and telecommunications failures; computer viruses; security breaches; cyber-attacks, including the use of ransomware; catastrophic events such as fires, floods, earthquakes, tornadoes, or hurricanes; acts of war or terrorism; and design or usage errors by our service providers. Although we use technology provided by our service providers to maintain and back-up our respective systems effectively to ensure business continuity, such efforts may not be successful. Our e-commerce website, which provides us access to the personal and payment information of our customers, may expose us to a greater risk of cyber security breaches.

We also hold confidential information, such as personal information regarding our employees, end suppliers, our service providers, and our customers. Our information systems, and those of our third party service providers and vendors, are vulnerable to an increasing threat of continually evolving data protection and cyber security risks. Hardware, software or applications we obtain from our associates or third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. We have implemented and periodically review and update systems, processes, and procedures to protect against unauthorised access to or use of data and to prevent data loss. However, the ever-evolving threats mean we and our third party service providers and vendors must continually evaluate and adapt our respective systems and processes and overall security environment. Any significant compromise or breach of our information systems or data security, whether external or internal, or misuse of customer, end suppliers, service provider, vendor or Company data, could result in significant costs, including costs to investigate and remediate, as well as lost sales, fines, lawsuits, and damage to our reputation. In addition, as the regulatory environment related to information security, data processing, collection and use, and privacy becomes increasingly rigorous, with new and constantly changing requirements applicable to our business, compliance with those requirements could also result in significant costs.

5.1.9 Exchange rate fluctuations and any weakening of the RM may increase our costs, which could materially affect our results of operations and financial condition.

A substantial number of our end suppliers are located outside Malaysia and while we make all payments for our imports in RM, we are exposed to foreign exchange rate fluctuations, particularly the RM against the RMB and the USD as a significant portion of our products are manufactured in or sourced from China. In FYE 31 December 2019 and FPE 30 June 2020, approximately 72.4% and 73.4%, respectively, of our products were sourced from end suppliers, comprising manufacturers and distributors, based in China. As a result, changes in the exchange rates between our functional currency, the RM, on the one hand, and the RMB and the USD, on the other hand, may have a significant, and potentially adverse, effect on the price at which we purchase products, and in many cases, we may not immediately be able to pass any resulting cost increases to our customers. In particular, the value of the RMB is subject to changes in the Chinese government's policies and depends to a large extent upon China's domestic and international economic, financial and political developments, as well as the currency's supply and demand in the domestic market. There remains significant international pressure on the Chinese government to adopt a substantially more liberalised currency policy, which is expected to appreciate the value of the RMB.

As at the date of this Prospectus, we have not entered into any hedging transactions to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. As a result, significant fluctuations in exchange rates may have a material adverse effect on our financial condition and results of operations.

5.1.10 If we fail to hire, train, manage and retain employees with suitable skill sets, including store staff and corporate support staff with the capabilities of delivering on strategic objectives, we could lose sales to our competitors, and our labour costs could be adversely affected.

We and our customers expect our store staff to be well trained and knowledgeable about the products we sell. We compete with other retailers for our store staff, and we invest in them with significant training and development. If we are unable to hire, train, manage and retain qualified store staff, the quality of service we provide to our customers may decrease and our results of operations could be negatively affected.

New policies and regulations implemented by the governments of the countries in which we operate, particularly those relating to a minimum wage increase, may have an impact, adverse or otherwise, on our business, prospects, financial condition and results of operations. For example, as a result of a January 2019 increase in the Malaysian statutory minimum wage from RM1,000 per month in Peninsular Malaysia and RM920 per month in East Malaysia to RM1,100 per month throughout Malaysia, our store and other staff costs are projected to increase. Commencing from 1 February 2020, the Government of Malaysia increased the statutory minimum wage rate in 56 identified cities within Malaysia to RM1,200 per month. Any future minimum wage increases may adversely impact our business, prospects, financial condition and results of operations.

In addition, we employ a significant number of foreign nationals at our stores and distribution centre in Malaysia and our operations could be impacted if we are restricted in hiring such employees. Foreign nationals represented approximately 18.5%, 21.2%, 17.1% and 14.9% of our total number of full-time employees as at 31 December 2017, 2018 and 2019 and 30 June 2020, respectively. Any changes in the policies of the countries of origin of our foreign national employees or any restrictions in Malaysia that could affect the availability of foreign nationals for employment by our company could impact our business operations and financial performance. For example, in July 2020, the Government of Malaysia announced that businesses would not be permitted to hire foreign workers, except for businesses in the construction, plantation and agriculture industries, to encourage the hiring of Malaysian workers in light of rising unemployment rates in Malaysia. Although we have not experienced any material labour shortage or adverse effect on our operations as a result of the announcement, there can be no assurance that we will not be adversely affected in the future. In the event that the number of foreign workers that we can employ is reduced or if we have to turn to a costlier source of labour, our financial performance may be adversely affected. There can be no assurance that such policies will not be amended or further restricted in any way, and that in the event such policies are amended, we will be able to comply with the new policies. As applications for recruitment of foreign workers in Malaysia are always subject to approval procedures, there can be no assurance that we will be able to continue to employ sufficient numbers of, or any, foreign workers to meet our operational requirements and our business, financial condition and results of operations may therefore be adversely affected.

Furthermore, our ability to meet our labour needs while controlling our costs is subject to a variety of external factors, including the availability of and competition for talent, our required contributions to statutory insurance and pensions schemes, the "MR. D.I.Y." brand image and reputation, changing demographics, and adoption of new or revised employment and labour laws and regulations.

5.1.11 Our success depends on our key senior management and our ability to attract and retain talented personnel.

The expertise and experience of our key senior management has been and will continue to be instrumental to the success of our business. The loss of any of our key senior management could impair our ability to operate and impede the execution of our strategies. We may not be able to replace such persons within a reasonable period of time with individuals that possess equivalent expertise and experience, which may disrupt our business and impair our financial condition and results of operations.

5.1.12 We are exposed to certain security risks, including in connection with the substantial use of cash in our store operations, pilferage, theft and robbery.

Due to the nature of our business, we process a large volume of cash transactions in the course of our business operations. Most of our in-store customer purchases are settled in cash, exposing us to the risk of cash change shortages, as well as security issues such as theft or pilferage. As each of our stores contain significant storage space where our stock is stored, our stores are vulnerable to larger-scale inventory theft. There is no guarantee that our cash management policy or our insurance coverage will be sufficient to protect us from such risks which, if substantial in the aggregate, could have an adverse effect on our business, financial condition and results of operations. We also incur significant additional costs in securing our stores (for example, by installing closed circuit televisions and safes in all of our stores). Further, incidents involving a breach of the security of our stores could adversely affect the perception of the "MR. D.I.Y." brand, and may discourage customers from visiting our stores.

5.1.13 Our properties, and our use of our properties, are subject to various land use, licensing and compliance certification requirements. Any breach of, or use of properties in breach of, relevant laws and regulations may result in our inability to use our properties. We may be required to shut down or relocate our stores or warehousing facilities, and fines or other penalties may also be imposed on us.

We are required to maintain and regularly renew various licences, approvals and permits in respect of our properties, and our use of these properties, including our stores and distribution centre. For example, in Malaysia, each of our stores and warehousing facilities is required to comply with regulations relating to the operation of a business on site, occupancy and land use rights. Additionally, any person who occupies, or permits to be occupied, any building or any part thereof is required to obtain a CCC or CF for such occupation. If the CCC or CF is not obtained in respect of our properties, we may be required to vacate such properties and we may become subject to a fine and/or imprisonment, pursuant to the applicable legislation. See Section 7.27.2(iii) of this Prospectus for further details. As at the LPD, four of our stores in Malaysia do not have the required CCC or CF and for 12 stores, we are unable to ascertain if these stores have the required CCC or CF as a copy of the CCC or CF has not been made available to us by our landlords. We anticipate a timeframe of up to 12 months from the date of this Prospectus to determine the CCC/CF status of the 12 stores. All of these 16 stores are located throughout Malaysia, namely Central region (four stores), North region (two stores), South region (two stores), East Coast region (five stores) and East Malaysia (three stores).

We lease the majority of the properties used in our business and, therefore, we require the cooperation of, and depend on, our landlords to apply to the relevant authorities to ensure that our use of such properties complies with applicable laws and regulations, including ensuring the appropriate conversion of the land use of such tenanted properties, and/or procuring the necessary CCC, CF or other permits in respect of such properties. Although we intend to continue to work with our landlords and to assist our landlords, to the extent possible, to obtain the required CCCs, CFs or other permits in respect of our tenanted properties, there can be no assurance that we will be able to obtain such CCCs, CFs or permits or any other required licenses in a timely manner or at all (as the applications for such certificates or permits could be rejected). As at the

LPD, the potential maximum penalties applicable is up to RM4.0 million, which will not have material adverse impact on our business and financial results. See Section 7.15.2(iii) of this Prospectus for further details.

We are also required to obtain business and/or signboard licences for our stores and warehousing facilities in accordance with various laws and regulations. If we fail to obtain a required business or signboard licence, we may become subject to monetary penalties and/or imprisonment pursuant to the applicable legislation. As at the LPD, 94 of our stores and five of our warehouses do not have business licences and signboard licences, five of our stores do not have business licences only and 13 of our stores do not have signboard licences only in Malaysia. Such stores and warehouses have not been issued with the licenses due to delays in either the application for the issuance of such licences or the renewal of such licences for our stores. Such licences also are subject to examinations or verifications by relevant authorities. There can also be no assurance that we will be able to comply with the relevant business and signboard licensing regime applicable to our stores, warehouses and storage units in a timely manner or at all (as the applications for such licences could be rejected). As at the LPD, the potential maximum penalties applicable is up to approximately RM0.7 million, which will not have material adverse impact on our business and financial results. See Sections 7.27.2(iv) and 7.28 of this Prospectus for further details.

Our warehousing facilities in Malaysia are also required to obtain fire certificates and are subjected to be renewed annually. For warehousing facilities which do not have the required fire certificates, the owners of such premises may become subject to a fine and/or imprisonment or other penalties. As at the LPD, we own two and rent nine of our warehousing facilities, all of which have not been issued with the required fire certificates. Although we are in the process of obtaining the required fire certificates, including in respect of the four warehouses that we recently rented for which we are in the process of preparing the requisite documents including the drawings and finalisation of the fire system plans to accompany the fire certificate applications, there can be no assurance that the approvals can be obtained in a timely manner or at all (as our applications for such certificates could be rejected). As at the LPD, the potential maximum penalty applicable is up to RM100,000 since we only own two of the warehouse facilities, which will not have material adverse impact on our business and financial results. See Sections 7.27.2(vi) and 7.28 of this Prospectus for further details.

Although we have not been subject to any material enforcement action in the past with respect to the foregoing non-compliance, there can be no assurance that we will not be required to shut down or relocate our stores or warehousing facilities or become subject to financial or other penalties in respect of such non-compliance or any similar non-compliance in the future. We will continue to update our shareholders on the status of our efforts to remedy the abovementioned non-compliances through our annual reports.

5.1.14 We are controlled by our substantial shareholders whose interests may not always align with our other shareholders.

Immediately after the completion of our IPO, our substantial shareholders will own in aggregate 73.2% of our enlarged issued Shares. The interests of our substantial shareholders may differ from our interest or the interests of our other shareholders and our substantial shareholders may be able to exercise significant influence over the vote of our Shares, including voting on director appointments and consequently, may be able to influence the composition of our Board. For example, our substantial shareholders will also continue to hold controlling interest in entities that carry on businesses in Thailand, Singapore, Indonesia, Philippines, Cambodia, Laos and possibly elsewhere that are similar to our business. See Section 11.1 of this Prospectus for further details. Our substantial shareholders could also have significant influence in determining the outcome of any corporate transaction or other matters submitted to our shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets and other significant corporate actions to the extent that they are not required to abstain from voting (and procuring persons connected to them to abstain from voting) in respect of such transactions and corporate actions. Our substantial shareholders also have the power to prevent or cause a change in control. Following the completion of our IPO and assuming full exercise of the ESOS Options, Tan Yu Yeh and Tan Yu Wei will indirectly hold, in the aggregate, 50.6% of our enlarged issued Shares. Certain of our loan facilities, including the TL/RC Facility (as defined in Section 12.2.6 of this Prospectus), contain provisions requiring that Tan Yu Yeh and Tan Yu Wei hold a minimum shareholding in our Company. Under the TL/RC Facility and certain of our other loan facilities, we are required to ensure that Tan Yu Yeh and Tan Yu Wei collectively hold at least 40.0% of our issued Shares, direct or indirectly. There can be no assurance that Tan Yu Yeh and/or Tan Yu Wei will not dispose of their Shares after the moratorium period for the IPO, which may trigger breaches of the shareholding covenants under these loan facilities, resulting in the cancellation of our loan facilities and amounts borrowed under such facilities becoming immediately due and payable.

5.1.15 Our insurance coverage may not adequately protect us against all material hazards.

While we maintain insurance policies to cover a variety of risks that are relevant to our business needs and operations such as property insurance, public and employer liability insurance, fidelity, money and fire insurance as well as certain insurance policies for our employees, there can be no assurance that any insurance proceeds we receive would be sufficient to cover expenses relating to insured losses or liabilities. We are also subject to risks of increased premiums or deductibles, reduced coverage, and additional or expanded exclusions in connection with our existing insurance policies. We do not maintain any product liability or business interruption insurance. As we do not have business interruption insurance coverage, any losses that we may incur as a result of being required to reduce the operations of our stores (whether as a result of the COVID-19 pandemic, the MCO or otherwise) would not be recoverable under our insurance policies. If the products we sell contain contaminants, defects or other unintended features or are non-compliant that could result in illness or injury, we may become subject to product liability claims or have to recall our products. Furthermore, we also grant warranties on certain electrical products we sell, such as home appliances. In the event there are a substantial number of claims under these warranties, this may result in a considerable amount of costs to us. Moreover, although our end suppliers may agree to replace defective or non-compliant products, we do not generally receive any contractual warranties from our end suppliers for the products that we purchase from them. There can therefore be no assurance that we will be able to recover any costs from our end suppliers, even if the relevant claim or liability arises from product damage, deterioration, defect or non-compliance attributable to the fault of the end supplier. As we do not maintain any product liability insurance, we will also not be able to recover any of our losses arising from such claims from our insurance providers.

If we suffer any uninsured losses, damages or liabilities in the course of our operations, we may not have sufficient funds to cover any such losses, damages or liabilities. To the extent that we suffer losses or damages as a result of a risk for which we do not maintain insurance or which is not covered by our insurance policies or where the cost of the losses or damages exceeds our insurance coverage, we will have to bear such costs, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

5.1.16 We may be involved in legal and other disputes or proceedings arising out of our operations from time to time and may face significant liabilities as a result.

We may be subject to various litigation and other disputes from time to time. We may also from time to time be subject to other proceedings, legal or otherwise, including tax reviews and/or audits. These matters in which we may be involved are subject to many uncertainties, and their outcomes are difficult to predict.

For example, on several occasions in 2019, we received notices from the tax authority in Malaysia requesting for various documents as part of a review of the tax file of certain of our Group companies in respect of various years of assessment from 2013 to 2018. As at the LPD, the tax authority's review remains in progress and we have not been notified by the tax authority of the outcome of its review. While we believe such review to be routine checks by the tax authority, there can be no assurance that we will not become subject to additional tax liabilities or penalties as a result of such review.

Our customers, employees, regulatory bodies or others may bring claims or enforcement actions against us for faulty, defective or non-compliant products that we sell. Such actions and claims may be costly and time consuming, and could result in liabilities and reputational harm. We cannot accurately determine the full extent of any claims and liabilities (financial or otherwise) of any litigation and claims. In particular, our business exposes us to an inherent risk of product liability claims and adverse publicity. If we were found responsible for damage caused by faulty, defective or non-compliant products sold in our stores, our reputation may be materially adversely affected. This could lead to the erosion of customers' confidence in the "MR. D.I.Y." brand and stores and a subsequent reduction in sales. In addition, we may need to incur significant legal, settlement and other costs in defending actions against us. Due to the inherent uncertainty of the litigation and dispute resolution process, there is no assurance that the resolution of any particular legal proceeding or dispute will be in our favour. Any result that is not in our favour may have a material adverse effect on our business, prospects, financial condition and results of operations.

5.2 RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

5.2.1 Our sales are subject to the health and stability of the general economy in Malaysia and Brunei. Adverse changes in economic factors specific to general consumer spending or disposable income may adversely affect the rate of growth of our sales.

Many domestic and global economic factors may adversely affect our financial performance. These include, but are not limited to, periods of slow economic growth or recession, volatility or lack of liquidity from time to time in domestic and world financial markets and the consequent reduced availability or higher cost of borrowing to us and our customers, slower rates of growth in real disposable personal income that could affect the rate of growth in consumer spending, high rates of unemployment, consumer debt levels, fluctuations in fuel and energy costs, inflation or deflation of commodity prices, natural disasters, and acts of both domestic and international terrorism. Adverse development in these factors could result in a decrease in consumer spending which could reduce demand for our products.

Given the number of our stores in Malaysia, we are sensitive to the economic and political outlook of Malaysia. Malaysia's GDP grew at a CAGR of 4.9% between 2014 and 2019. In addition, total average monthly household expenditure in Malaysia increased at a CAGR of 4.8% from 2014 to 2019. However, private consumption in Malaysia declined in the second quarter of 2020 by 18.5% compared to the 6.7% growth registered in the first quarter of 2020 as a result of the COVID-19 outbreak and the MCO. For further details, see Section 8 of this Prospectus. The growth in the Malaysian economy, household consumption and retail sector was an important factor in our past performance growth. There can be no assurance that Malaysian economic conditions will recover, or be as favourable as they were in the past. Uncertainty about the duration, spread, severity and impact of the COVID-19 pandemic and the pace of economic recovery may lead to a reduction in consumer confidence and a general economic downturn. If a general economic downturn does occur, we may not be able to compete directly on price with other retailers, such as hypermarkets which may experience more significant economies of scale than us due to their larger product base and store sizes. In an economic downturn, as consumer discretionary spending decreases, it is possible that consumers will increasingly seek to purchase lower-priced products and we may feel significant pressure to further reduce our pricing and margins. Any adverse development in the Malaysian economy generally, or that impacts consumer discretionary spending, in particular, could have a material adverse effect on our business, prospects, financial condition and results of operations.

5.2.2 We may have many competitors who could take sales and market share from us if we fail to execute our merchandising, marketing and distribution strategies effectively, or if they develop a substantially more effective or lower cost means of meeting customer needs, resulting in an adverse effect on our business, financial condition and results of operations.

We operate in a market that is highly competitive. We have a number of large and small direct and indirect competitors. Our primary competitors include other home improvement and value retailers, such as Ace Hardware, One Stop Superstore and Daiso. In addition, while certain of our stores are located on premises owned and operated by mass merchandise retailers such as AEON, Tesco and Giant, we also compete with these retailers with respect to certain products. Many of these competitors bear recognised brand names and have significant customer loyalty. With respect to some products and services, we may also compete with specialty design stores, showrooms, discount stores, local, national and international convenience and hardware stores, paint stores, home decor retailers, and other retailers, as well as with providers of home improvement services and tool and equipment rental.

The principal competitive factors in our industry include convenience, presentation, product variety, price, customer loyalty, product quality and customer service. We may face growing competition from manufacturers and online, mass market and multi-channel retailers who have a similar or wider product offering. With respect to our stores, we also compete based on store location and appearance as well as presentation of merchandise.

Our customers are increasingly likely to use internet-enabled devices to shop online, read product reviews, and compare prices, products, and delivery options, regardless of whether they shop in-store or online. Further, domestic and foreign online and multichannel retailers are increasingly focusing on delivery services, with customers seeking faster, guaranteed delivery times and low-price or free shipping. The entry of foreign online and multi-channel retail players in Malaysia and Brunei is likely to intensify all areas of competition including price, quality, variety and convenience. Our ability to be competitive on delivery times and delivery costs depends on many factors, including the success of our investments in cultivating relationships with small-package delivery service providers, and our failure to successfully manage these relationships and offer competitive delivery options could negatively impact the demand for our products and our profit margins.

Our failure to respond effectively to competitive pressures and changes in the markets for home improvement retail products could affect our financial performance. Moreover, we must use our marketing, advertising and promotional programmes to drive customer traffic and compete more effectively, and we must regularly assess and adjust our efforts to address changes in the competitive landscape. Intense competitive pressures from one or more of our competitors, such as through aggressive promotional pricing or liquidation events, or our inability to adapt effectively and quickly to a changing competitive landscape, could affect our prices, our margins, or demand for our products and services. If we are unable to maintain our competitive position, we could experience lower demand for our products, downward pressure on pricing and a loss of market share, each of which could have a material adverse effect on our business, prospects, financial condition and results of operations.

5.3 RISKS RELATING TO THE COUNTRIES WHERE WE OPERATE

5.3.1 We are subject to the laws, regulations, policies and political and social environments and other risks generally associated with business operations in the countries where we operate which are or may become more onerous.

We engage in business activities in Malaysia and Brunei with almost all of our revenue being derived from our operations in Malaysia. Our business is and will continue to be subject to the risks generally associated with business operations in Malaysia, including:

(i) governmental regulations (including as a response to outbreaks of pandemics) applicable to our industry;

(ii) changes in social, political and economic conditions;

(iii) transportation and freight delays;

(iv) power and other utility shutdowns or shortages;

(v) limitations on foreign investment;

(vi) restrictions on imports and exports (including import-export tariffs, duties and quotas);

(vii) changes in local labour conditions;

(viii) changes in tax and other laws and regulations such as, among others, the reintroduction of SST;

(ix) expropriation and nationalisation of our assets in a particular jurisdiction; and

(x) restrictions on repatriation of dividends or profits or other capital transfers or movements.

In addition, as we are subject to the laws, regulations, policies and the political and social environment of the countries where we operate, particularly in Malaysia, we are exposed to the risk of enforcement actions and investigations due to non-compliance with such relevant laws, regulations and policies. Such laws, regulations and policies include those relating to:

(i) production safety, health and supervision;

(ii) environmental protection;

(iii) direct and indirect taxes;

(iv) subsidies;

(v) exchange controls and controls on the transfer of funds;

(vi) constraints on price increases of our products, such as through anti-profiteering laws;

(vii) intellectual property protection;

(viii) labour protection and human rights compliance;

(ix) anti-competition laws;

(x) anti-corruption laws;

(xi) anti-money laundering laws; and

(xii) privacy and data protection.

In addition, we are subject to the risk that regulatory authorities may, from time to time, impose additional standards and requirements, which could be more stringent or onerous than those which currently apply to us. We may also be subject to legal, regulatory, political and policy changes which we may not be able to anticipate. Our business, financial condition and results of operations could be adversely affected by any of the foregoing factors.

5.4 RISKS RELATING TO OUR SHARES

5.4.1 Our Listing may not result in an active liquid market for our Shares.

There can be no assurance as to the liquidity of the market that may develop for our Shares, the ability of holders to sell our Shares or the price at which holders would be able to sell our Shares. Neither we nor our Promoters have an obligation to make a market for our Shares or, if such a market does develop, to sustain it.

In addition, there can be no assurance that the trading price of our Shares will reflect our operations and financial conditions, our growth prospects or the growth prospects of the industry in which we operate.

5.4.2 Our Share price and trading volume may be volatile.

The market price of our Shares may fluctuate as a result of, among other things, the following:

(i) general market, political and economic conditions;

(ii) trading liquidity of our Shares;

(iii) differences between our actual financial and operating results and those expected by investors and analysts;

(iv) changes in earnings estimates and recommendations by financial analysts;

(v) changes in market valuations of listed shares in general or shares of companies comparable to ours;

(vi) changes in government policy, legislation or regulation; and

(vii) general operational and business risks.

In addition, many of the risks described herein could materially and adversely affect the market price of our Shares. Furthermore, if the trading volume of our Shares is low, price fluctuation may be exacerbated. While our Promoters and Hyptis are restricted from selling any of their Shares for a period of six months, and our other existing shareholders that hold approximately 18.7% of our enlarged issued Shares are restricted from selling any of their Shares for a period of three months, following our Listing, the market price of our Shares may also fluctuate if our existing shareholders choose to sell their Shares in the future. For further details on the moratorium and our lock-up arrangements, see Sections 2.2 and 4.8.3 of this Prospectus, respectively. Accordingly, there can be no assurance that our Shares will not trade at prices lower than the Final Retail Price.

Over the past few years, the Malaysian, regional and global equity markets have experienced significant price and volume volatility, which has affected the share price of many companies. The share price of many companies have experienced wide fluctuations which were not always related to the operating performance of those companies. There can be no assurance that the price and trading of our Shares will not be subject to similar fluctuations.

5.4.3 We may not be able to pay dividends.

As part of our Board's guidance on dividends, we aim to declare a certain proportion of our retained earnings for the year, subject to the approval of our Board and to any applicable law and contractual obligations, as dividends, provided that such distribution will not be detrimental to our Group's cash requirements or to any plans approved by our Board. See Section 12.4 of this Prospectus for further details. We propose to pay dividends after setting aside necessary funding for our capital expenditure and working capital needs such that any declaration of dividends shall not exceed our distributable profits. We may not declare dividends should there be events of default occurring or that would occur with such dividend payment. Dividend payments are not guaranteed, and our Board may decide, in its sole absolute discretion, at any time and for any reason, not to pay dividends or to pay smaller dividends than we currently propose. Additionally, as our Company is a holding company and substantially all of our operations are conducted through our subsidiaries and an associate, our Company relies on dividends and other distributions from our subsidiaries and an associate as our Company's principal source of income. Our Company or our subsidiaries or associate may also enter into financing agreements which may limit our ability to pay dividends or other distributions, and we may incur expenses or liabilities that would reduce or eliminate the cash or profit available for distribution. 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 and the value of your investment in our Shares may be reduced. Additionally, any payment of dividends may adversely affect our ability to fund unexpected capital expenditures, as well as our ability to make future interest and principal repayments on any borrowings we may have outstanding at the time. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be possible or on favourable terms or at all. Further, in the event we incur new borrowings subsequent to our Listing, we may be subject to covenants restricting our ability to pay dividends.

5.4.4 The sale, or possible sale, of a substantial number of our Shares in the public market following our Listing could adversely affect the price of our Shares.

Following our Listing, we will have in issue 6,276,600,000 Shares, of which up to 941,490,000 Shares, representing 15.0% of our enlarged issued Shares, will be held by investors participating in our Listing, and approximately 51.0% and 15.3% will be held by our Promoters and Hyptis respectively via their direct and/or indirect interests in our Company. Save in relation to the moratoriums and lock-up arrangements as set out in Sections 2.2 and 4.8.3 of this Prospectus, respectively, our Shares sold in our Listing will be traded on the Main Market of Bursa Securities without restriction following our Listing. Further, up to about 18.7% of our enlarged issued Shares which are held by our remaining shareholders, will be subject to lock-up arrangements for a period of three months from the date of our Listing. Our Shares may also be sold outside the United States, subject to the restrictions of Regulation S, and inside the United States or to U.S. persons pursuant to Rule 144A.

Our Promoters and other shareholders, including the Selling Shareholders, could dispose of some or all of our Shares that they hold after the moratorium period through MITI's allocation of 5.0% of our enlarged issued Shares to Bumiputera investors in two phases within 36 months from the date of our Listing (see Section 2.1 of this Prospectus for further details) or pursuant to their own investment objectives. If our shareholders sell, or are perceived as intending to sell, a substantial amount of our Shares that they hold, the market price for our Shares could be adversely affected.

5.4.5 There may be a delay in or termination of our Listing.

The occurrence of certain events, including the following, may cause a delay in or termination of our Listing:

(i) the Joint Managing Underwriters' or the Joint Underwriters' exercise of their rights under the Retail Underwriting Agreement, or the Joint Global Coordinators' or the Joint Bookrunners' exercise of their rights under the Placement Agreement, to discharge themselves of their obligations under such agreements;

(ii) our inability to meet the minimum public spread requirement of having at least 15.0% of the total number of our Shares for which our Listing is sought being in the hands of at least 1,000 public shareholders holding at least 100 Shares each at the point of our Listing as approved by Bursa Securities (See Section 2.1 of this Prospectus for further details); or

(iii) the revocation of the approvals from the relevant authorities for our Listing for whatever reason.

Where prior to the issuance and allotment or transfer of our IPO Shares:

(i) the SC issues a stop order under Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and we and the Selling Shareholders shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or

(ii) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, investors will not receive any IPO Shares, and all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the issuance and allotment of our Issue Shares and the issue proceeds form part of our share capital:

(i) the SC issues a stop order under Section 245(1) of the CMSA, any issue of our Issue Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or

(ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of our share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by way of special resolution in a general meeting and supported by either (a) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances, or (b) a solvency statement from the directors.

5.4.6 Forward-looking statements in this Prospectus may not be accurate.

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts, included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Group for future operations are forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such factors include, among others, general economic and business conditions, competition, the impact of new laws and regulations affecting our industry and government initiatives. 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 involve known and unknown risks, uncertainties and other factors, including COVID-19 related factors, risks and challenges, which may cause our actual results, performance or achievements of our Group, or industry results, to be materially different from any future results, performance, achievements or industry results expressed or implied by such forward-looking statements.

In light of these uncertainties, the inclusion of such forward-looking statements in this Prospectus should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

6. INFORMATION ON OUR GROUP

6.1 OUR COMPANY

6.1.1 History and background

Our Company was incorporated in Malaysia under the Companies Act, 1965 on 12 October 2010 and is deemed registered under the Act as a private limited company under the name of Mr D.I.Y. Enterprise Sdn Bhd. On 1 June 2016, our Company changed its name to Mr D.I.Y. Group (M) Sdn Bhd and was converted into a public company on 4 June 2019 and assumed the name of Mr D.I.Y. Group (M) Berhad.

The principal activity of our Company is investment holding whilst our subsidiaries are principally involved in the retail of home improvement products and mass merchandise in Malaysia and Brunei. The principal activities of our subsidiaries and associate are as set out in Section 6.3 of this Prospectus.

The history of our business can be traced back to 2005 when our Founder opened a hardware store located at Jalan Tuanku Abdul Rahman, Kuala Lumpur which operated under our current wholly-owned subsidiary, MD. Over the years, our Founder continued to expand the business under various operating companies.

Our Group was formed in June 2016 when our Company acquired the entire equity interests of MD, MDE, MD(EM), MD(H), MD(J), MD(K), MD(KK), MD(M) and MDT from their respective shareholders. In the same year, Creador Funds, through Hyptis invested 5.0% in our Company and increased their stake in our Company over the next two years to 18.0%. In August 2017, our Company acquired the rights to subscribe for 95.0% equity interests in MDM from certain of our shareholders and subscribed for such shares, for an aggregate consideration of RM22.6 million.

In May 2019, we acquired 100.0% equity interests in MD(B) for a total purchase consideration of RM104.8 million. On 15 January 2019 and 23 July 2020, we incorporated MDKIDS and MDollar, respectively, both of which are our wholly-owned subsidiaries, to introduce and operate new retail format stores, namely "MR. TOY" and "MR. DOLLAR", respectively.

Together with MD(B), we have a total of 674 stores across Malaysia and Brunei, as at the LPD.

Our operations are only located in Malaysia and Brunei. In other regions outside of Malaysia and Brunei, there are "MR. D.I.Y." stores operated through separate entities owned by our shareholders. These other regional "MR. D.I.Y." stores are unrelated to our Group.

6.1.2 Share capital

Our issued share capital is RM2,069,902, comprising 6,088,200,000 Shares as at the date of this Prospectus.

The changes in our issued share capital for the past three years preceding 23 September 2020 are as follows:

Date of allotment/ subdivision	No. of Shares allotted	No. of cumulative Shares	Cumulative issued share capital (RM)
23 September 2020[(1)]	60,872,000	60,882,000	2,069,902
23 September 2020[(2)]	-	6,088,200,000	2,069,902

Notes:

(1) Pursuant to the Share Issuance.

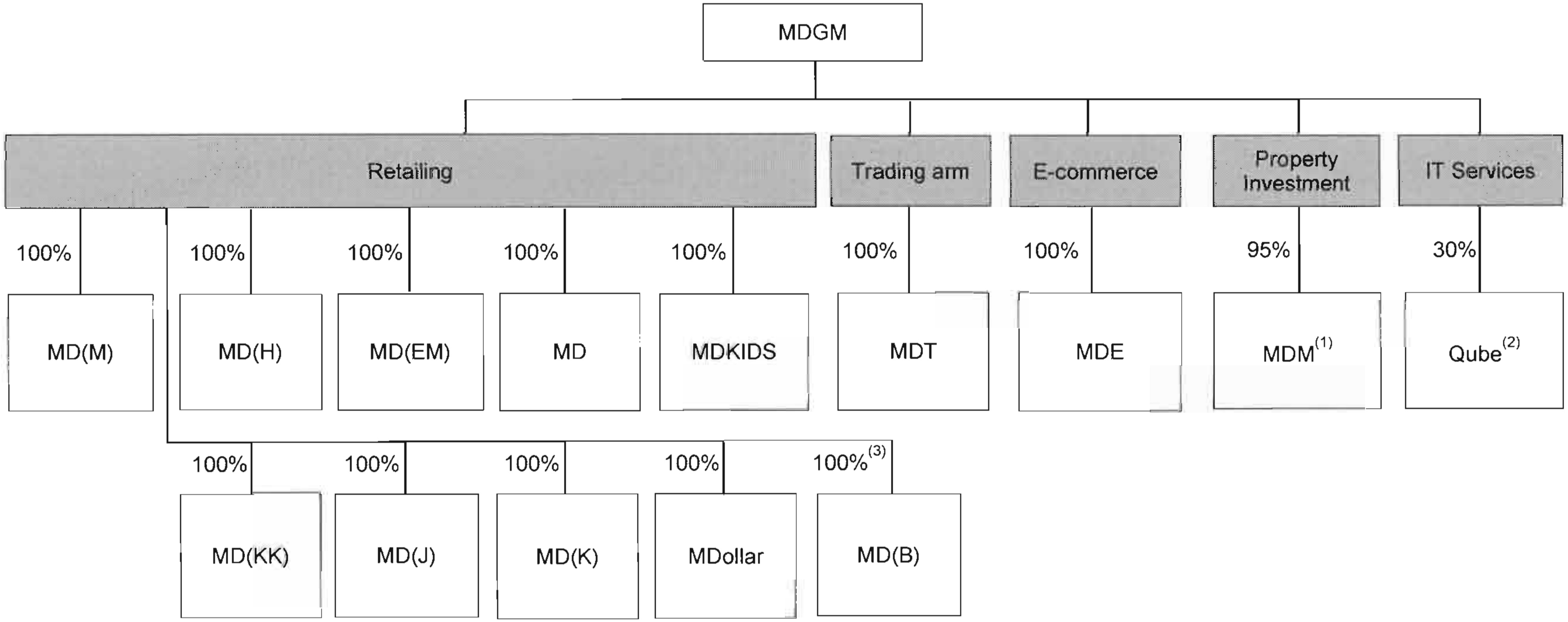
(2) Pursuant to the Subdivision.

Our Company does not have any treasury shares as at the LPD.

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

6.2 OUR GROUP STRUCTURE

An overview of our group structure as at the LPD is as follows:



Notes:

(1) The remaining 5.0% equity interests in MDM is held by Tan Yu Yeh, Tan Yu Wei, Tan Yew Hock, Tan Lee Lee, Tan Yew King, Tan Yew Teik, Chong Swee Lee and Tan Lee Ling, all of whom had waived all their present and future rights, title, interest in and to all dividends declared, distributed or paid by MDM. Consequently, we had consolidated MDM based on 100% ownership interest.

(2) The remaining 70.0% equity interests in Qube is held by Chai Chee Own, Fong Tuck Heng and Ng Swee Loong.

(3) One ordinary share is held by MDM on trust for MDGM.

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

6.3 OUR SUBSIDIARIES AND ASSOCIATE

Our subsidiaries and associate as at the LPD are as follows:

Name and company number	Date and country of incorporation	Share capital	Our equity interest (%)	Principal activities
Subsidiaries				
MD 200501022297 (704427-T)	28 July 2005 (Malaysia)	RM3,000,000	100.0	Trading in hardware and related services
MD(B) (RC20001126)	28 July 2016 (Brunei Darussalam)	BND1,000	100.0	Dealing with hardware and related business activities
MDE 201201042391 (1026867-H)	5 December 2012 (Malaysia)	RM100,000	100.0	Retail sale of any kind of product over the internet
MD(EM) 201101040945 (969067-P)	21 November 2011 (Malaysia)	RM3,000,000	100.0	Dealing with hardware and related business and activities
MD(H) 200801016908 (818201-M)	20 May 2008 (Malaysia)	RM3,000,000	100.0	Dealing with hardware and related business and activities
MD(J) 201101004968 (933109-X)	21 February 2011 (Malaysia)	RM3,000,000	100.0	Dealing with hardware and related business and activities
MD(K) 200601030683 (750441-W)	13 October 2006 (Malaysia)	RM5,000,000	100.0	Dealing with hardware and related business and activities
MDKIDS 201901001700 (1311026-U)	15 January 2019 (Malaysia)	RM3,000,000	100.0	Retail sale of games and toys
MD(KK) 200901005139 (848075-X)	26 February 2009 (Malaysia)	RM3,000,000	100.0	Dealing with hardware and related business and activities
MD(M) 200901017574 (860671-D)	15 June 2009 (Malaysia)	RM5,000,000	100.0	Dealing with hardware and related business and activities
MDollar 202001013124 (1369444-U)	3 June 2020 (Malaysia)	RM1,000,000	100.0	Retail of household products, food and beverage items and groceries
MDT 200901036305 (879428-V)	17 November 2009 (Malaysia)	RM5,000,000	100.0	Dealing with hardware and related business and activities
MDM 201001026539 (910458-T)	4 August 2010 (Malaysia)	RM10,000,000	95.0	Letting of warehouse and property

Name and company number	Date and country of incorporation	Share capital	Our equity interest (%)	Principal activities
Associate				
Qube 201201008022 (981542-A)	8 March 2012 (Malaysia)	RM500,000	30.0	Providing computer consultancy services, software developers and trading of related products

The details of our subsidiaries and associate as at the LPD are set out below:

6.3.1 Information on MD

MD was incorporated in Malaysia under the Companies Act, 1965 and is deemed registered under the Act on 28 July 2005 as a private limited company under its present name. MD is principally involved in trading in hardware and related services. The principal place of business of MD is at Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.

The issued share capital of MD is RM3,000,000 comprising 3,000,000 ordinary shares. There has been no change in the issued share capital of MD for the past three years preceding the LPD.

MD is our wholly-owned subsidiary. As at the LPD, MD does not have any subsidiaries or associates.

6.3.2 Information on MD(B)

MD(B) was incorporated in Brunei Darussalam under the Companies Act Chapter 39 on 28 July 2016 as a private limited company. MD(B) is principally involved in dealing with hardware and related business activities. The principal place of business of MD(B) is at 1st Floor, No. 6, Block A, Bangunan Dato Lim Seng Kok, Simpang 628, Jalan Tutong, Kpg Madewa, Bandar Seri Begawan, BF1120 Brunei Darussalam.

The issued share capital of MD(B) is BND1,000 comprising 1,000 ordinary shares. There has been no change in the issued share capital of MD(B) for the past three years preceding the LPD.

MD(B) is our wholly-owned subsidiary, as we hold all the shares in MD(B), save for one ordinary share which is held by MDM on trust for us. As at the LPD, MD(B) does not have any subsidiaries or associates.

6.3.3 Information on MDE

MDE was incorporated in Malaysia under the Companies Act, 1965 and is deemed registered under the Act on 5 December 2012 as a private limited company under its present name. MDE is principally involved in the retail sale of any kind of product over the internet and undertakes the e-commerce activities of our Group. The principal place of business of MDE is at Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.

The issued share capital of MDE is RM100,000 comprising 100,000 ordinary shares. There has been no change in the issued share capital of MDE for the past three years preceding the LPD. MDE is our wholly-owned subsidiary. As at the LPD, MDE does not have any subsidiaries or associates.

6.3.4 Information on MD(EM)

MD(EM) was incorporated in Malaysia under the Companies Act, 1965 and is deemed registered under the Act on 21 November 2011 as a private limited company under the name of Mr. D.I.Y. Services Sdn Bhd and had changed its name to Mr. D.I.Y. (EM) Sdn Bhd on 10 October 2014. MD(EM) is principally involved in dealing with hardware and related business and activities. The principal place of business of MD(EM) is at Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.

The issued share capital of MD(EM) is RM3,000,000 comprising 3,000,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of MD(EM) for the past three years preceding the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
22 August 2019	2,700,000	Cash	3,000,000

MD(EM) is our wholly-owned subsidiary. As at the LPD, MD(EM) does not have any subsidiaries or associates.

6.3.5 Information on MD(H)

MD(H) was incorporated in Malaysia under the Companies Act, 1965 and is deemed registered under the Act on 20 May 2008 as a private limited company under its present name. MD(H) is principally involved in dealing with hardware and related business and activities. The principal place of business of MD(H) is at Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.

The issued share capital of MD(H) is RM3,000,000 comprising 3,000,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of MD(H) for the past three years preceding the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
19 August 2019	2,500,000	Cash	3,000,000

MD(H) is our wholly-owned subsidiary. As at the LPD, MD(H) does not have any subsidiaries or associates.

6.3.6 Information on MD(J)

MD(J) was incorporated in Malaysia under the Companies Act, 1965 and is deemed registered under the Act on 21 February 2011 as a private limited company under its present name. MD(J) is principally involved in dealing with hardware and related business and activities. The principal place of business of MD(J) is at Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.

The issued share capital of MD(J) is RM3,000,000 comprising 3,000,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of MD(J) for the past three years preceding the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
30 November 2018	400,000	Cash	500,000
30 August 2019	2,500,000	Cash	3,000,000

MD(J) is our wholly-owned subsidiary. As at the LPD, MD(J) does not have any subsidiaries or associates.

6.3.7 Information on MD(K)

MD(K) was incorporated in Malaysia under the Companies Act, 1965 and is deemed registered under the Act on 13 October 2006 as a private limited company under its present name. MD(K) is principally involved in dealing with hardware and related business and activities. The principal place of business of MD(K) is at Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.

The issued share capital of MD(K) is RM5,000,000 comprising 5,000,000 ordinary shares. There has been no change in the issued share capital of MD(K) for the past three years preceding the LPD.

MD(K) is our wholly-owned subsidiary. As at the LPD, MD(K) does not have any subsidiaries or associates.

6.3.8 Information on MDKIDS

MDKIDS was incorporated in Malaysia under the Act on 15 January 2019 as a private limited company under its present name. MDKIDS is principally involved in retail sale of games and toys. The principal place of business of MDKIDS is at Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan Selangor.

The issued share capital of MDKIDS is RM3,000,000 comprising 3,000,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of MDKIDS since its incorporation up to the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
15 January 2019	1	Cash	1
11 April 2019	2,999,999	Cash	3,000,000

MDKIDS is our wholly-owned subsidiary. As at the LPD, MDKIDS does not have any subsidiaries or associates.

6.3.9 Information on MD(KK)

MD(KK) was incorporated in Malaysia under the Companies Act, 1965 and is deemed registered under the Act on 26 February 2009 as a private limited company under its present name. MD(KK) is principally involved in dealing with hardware and related business and activities. The principal place of business of MD(KK) is at Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.

The issued share capital of MD(KK) is RM3,000,000 comprising 3,000,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of MD(KK) for the past three years preceding the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
30 August 2019	2,800,000	Cash	3,000,000

MD(KK) is our wholly-owned subsidiary. As at the LPD, MD(KK) does not have any subsidiaries or associates.

6.3.10 Information on MD(M)

MD(M) was incorporated in Malaysia under the Companies Act, 1965 and is deemed registered under the Act on 15 June 2009 as a private limited company under its present name. MD(M) is principally involved in dealing with hardware and related business and activities. The principal place of business of MD(M) is at Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.

The issued share capital of MD(M) is RM5,000,000 comprising 5,000,000 ordinary shares. There has been no change in the issued share capital of MD(M) for the past three years preceding the LPD.

MD(M) is our wholly-owned subsidiary. As at the LPD, MD(M) does not have any subsidiaries or associates.

6.3.11 Information on MDollar

MDollar was incorporated in Malaysia under the Act on 3 June 2020 as a private limited company under its present name. MDollar is principally involved in the retail of household products, food and beverage items and groceries. The principal place of business of MDollar is at Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.

The issued share capital of MDollar is RM1,000,000 comprising 1,000,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of MDollar since its incorporation up to the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
3 June 2020	2	Cash	2
23 July 2020	999,998	Cash	1,000,000

MDollar is our wholly-owned subsidiary. As at the LPD, MDollar does not have any subsidiaries or associates.

6.3.12 Information on MDT

MDT was incorporated in Malaysia under the Companies Act, 1965 and is deemed registered under the Act on 17 November 2009 as a private limited company under its present name. MDT is principally involved in dealing with hardware and related business and activities. The principal place of business of MDT is at Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.

The issued share capital of MDT is RM5,000,000 comprising 5,000,000 ordinary shares. There has been no change in the issued share capital of MDT for the past three years preceding the LPD.

MDT is our wholly-owned subsidiary. As at the LPD, MDT does not have any subsidiaries or associates.

6.3.13 Information on MDM

MDM was incorporated in Malaysia under the Companies Act, 1965 and is deemed registered under the Act on 4 August 2010 as a private limited company under its present name. MDM is principally involved in letting of warehouse and property. The principal place of business of MDM is at Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.

The issued share capital of MDM is RM10,000,000 comprising 10,000,000 ordinary shares. There has been no change in the issued share capital of MDM for the past three years preceding the LPD.

As at the LPD, we own 95% of MDM. The remaining shareholders are Tan Yu Yeh (4.46%), Tan Yu Wei (0.29%), Tan Yew King (0.05%), Tan Yew Teik (0.05%), Tan Yew Hock (0.05%), Chong Swee Lee (0.05%), Tan Lee Lee (0.025%) and Tan Lee Ling (0.025%) all of whom had waived all their present and future rights, title, interest in and to all dividends declared, distributed or paid by MDM. Consequently, we had consolidated MDM based on 100.0% ownership interest.

As at the LPD, MDM does not have any subsidiaries or associates.

6.3.14 Information on Qube

Qube was incorporated in Malaysia under the Companies Act, 1965 and is deemed registered under the Act on 8 March 2012 as a private limited company under its present name. Qube is principally involved in providing computer consultancy services, software developers and trading of related products. The principal place of business of Qube is at No. 2-32A1, Jalan Desa 1/1, Desa Aman Puri, 52100 Kepong, Kuala Lumpur.

The issued share capital of Qube is RM500,000 comprising 500,000 ordinary shares. Save as disclosed below, there has been no change in the issued share capital of Qube for the past three years preceding the LPD:

Date of allotment	No. of ordinary shares	Consideration	Cumulative issued share capital (RM)
6 February 2018	400,000	Cash	500,000

As at the LPD, we own 30.0% of Qube. The remaining shareholders are Fong Tuck Heng (25.0%), Ng Swee Loong (25.0%) and Chai Chee Own (20.0%). As at the LPD, Qube has a wholly-owned subsidiary, Qube Apps Marketing Sdn Bhd.

As at the LPD, our Group does not have any outstanding warrants, options, convertible securities or uncalled capital, save for the ESOS Options. For further details, see Section 4.2.5 of this Prospectus.

None of our Shares and share capital in our subsidiaries were issued and allotted at a discount or have any special terms. Our issued Shares and the issued shares of our subsidiaries are fully paid-up.

As at the LPD, neither our Company nor our subsidiaries are involved in any bankruptcy, receivership or similar proceedings.

During the last financial year 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 our Company in respect of other companies' securities.

7. BUSINESS OVERVIEW

7.1 OVERVIEW

We are the largest home improvement retailer in Malaysia, with an estimated market share of 29.1% in 2019 based on our revenue for FYE 31 December 2019. The first "MR. D.I.Y." store opened in 2005, and as at the LPD, we operate 670 stores across Malaysia and four stores in Brunei. Our network of stores in Malaysia is extensive, with a presence in every state and Federal Territory in Malaysia. In FYE 31 December 2019 and FPE 30 June 2020, we recorded approximately 8.4 million and 6.8 million transactions per month on average at our stores, respectively. In recognition of the strength of the "MR. D.I.Y." brand name among consumers in Malaysia, we received the "*Brand Leadership in Retail – Home Improvement 2018 – 2019*" award from the BrandLaureate in 2019 and the "*Winner in Retail – Home Improvement Category (National Tier)*" award in the World Branding Awards in 2018 and 2019.

The home improvement retail sector in Malaysia grew at a CAGR of 12.4% from 2014 to 2019 in terms of retail sales value and is expected to continue to grow at a CAGR of 10.2% until 2024. As the leader in the home improvement retail sector, we are well positioned to capitalise on this expected growth. For more information, see Section 8 of this Prospectus.

We operate and manage all of our stores directly. We typically locate our stores in convenient locations that are easily accessible to our customers such as alongside busy roads, in shopping malls, business parks and shopping districts. Our stores typically operate seven days a week to maximise convenience for our customers. In FYE 31 December 2017, 2018 and 2019, we opened 110, 113 and 126 new stores (net of store closures), respectively. We intend to continue to open new stores across Malaysia, with a target of at least 100 "MR. D.I.Y." stores, 22 "MR. TOY" stores and ten "MR. DOLLAR" stores in 2020, and approximately 175 additional stores in 2021, comprising approximately 100 "MR. D.I.Y." stores, approximately 25 "MR. TOY" stores and approximately 50 "MR. DOLLAR" stores. In FPE 30 June 2020 and from 1 July 2020 up to the LPD, we opened 47 and 34 new stores (net of store closures), respectively. Our extensive network of stores enables us to provide our customers with convenient access to our products and we aim to increase the presence of our stores in Malaysia and Brunei, including in highly populated and underserved areas. Furthermore, the large scale of our operations enables us to leverage on our economies of scale to obtain better supply terms, reduce sales costs per product, and improve our operational efficiency.

Our merchandising strategy is to offer our customers a wide range of products that provide attractive price-to-quality value propositions. Our stores carry an extensive variety of products. The majority of our products consist of hardware, household and furnishing, electrical, stationery and sports equipment products. Our products are selected to appeal to a wide range of consumers and are competitively priced and affordable to mass-market consumers. We seek to maintain a competitive advantage over our competitors and new entrants into our market, and continually review our product mix in order to respond to the changing demands of our customers. As at 30 June 2020, our stores carried approximately 16,600 SKUs on average per store. In FYE 31 December 2019 and FPE 30 June 2020, the average value of a transaction at our stores was RM22.2 and RM25.2, respectively.

Our store operations are supported by centrally managed inventory management and distribution systems, which help us ensure that our stores have sufficient stock to meet our customers' demands. As at the LPD, we operate a distribution centre consisting of a cluster of 11 closely located properties situated in Balakong, Seri Kembangan, Selangor, Malaysia and one property situated in Port Klang, Selangor, Malaysia, from which all of our products are distributed to our stores across Peninsular Malaysia through our fleet of 113 delivery trucks, and to our stores across East Malaysia and Brunei through third party freight service providers. We also use third party freight service providers to distribute our products to certain of our stores in Peninsular Malaysia that are inaccessible to our delivery trucks.

From FYE 31 December 2017 to FYE 31 December 2019, our revenue increased at a CAGR of 36.1% from RM1,229.2 million to RM2,275.6 million, our EBITDA increased at a CAGR of 30.9% from RM371.4 million to RM636.3 million, our gross profit increased at a CAGR of 33.3% from RM542.0 million to RM963.7 million and our net profit for the financial year increased at a CAGR of 23.0% from RM210.0 million to RM317.6 million.

From FPE 30 June 2019 to FPE 30 June 2020, our revenue decreased by 4.2% from RM1,096.7 million to RM1,050.7 million, our EBITDA decreased by 10.2% from RM305.4 million to RM274.3 million, our gross profit decreased by 3.3% from RM463.3 million to RM448.0 million and our net profit for the financial period decreased by 25.2% from RM154.4 million to RM115.4 million. The general decline in our financial performance for FPE 30 June 2020 compared to FPE 30 June 2019 was primarily due to the temporary closure of our stores in Malaysia in FPE 30 June 2020 following the implementation of the MCO, as described below.

In FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020 and from 1 July 2020 up to the LPD, our stores processed approximately 58.3 million, 80.9 million, 101.3 million, 40.7 million and 20.4 million transactions, respectively.

7.2 COMPETITIVE STRENGTHS, FUTURE PLANS AND STRATEGIES

7.2.1 Competitive strengths

Our competitive strengths are as follows:

(i) Market leader in a growing and resilient segment of the retail sector in Malaysia

We are the largest home improvement retailer in Malaysia with an estimated market share of 29.1% in 2019 based on our revenue for FYE 31 December 2019. Since the establishment of the first "MR. D.I.Y." store in 2005, our store network has grown substantially and as at the LPD, we operate 670 stores across every state and Federal Territory in Malaysia. As at LPD, our store network in Malaysia was more than seven times larger than the number of stores operated by our closest competitor in the household and furnishing product category. Through our extensive store network, our product offerings reach customers in a variety of locations across Malaysia with differing population demographics and disposable incomes.

We operate in a segment of the retail sector in Malaysia which is growing and resilient. As most of our products comprise primarily of household necessities, consumer staples and other non-discretionary consumables, the demand for our products is generally stable notwithstanding changes in overall economic conditions in Malaysia. Demand for such products by consumers in Malaysia, particularly those in the low to middle income demographic, is price sensitive due to a generally rising cost of living as a result of factors such as inflation and the implementation of GST and SST. Our focus on offering a wide range of products with an attractive price-to-quality value proposition makes us well-positioned to benefit from the consumer demand in this segment of the market. We have successfully capitalised on this opportunity by growing our store network in Malaysia at a CAGR of 29.4%, from 354 stores as at 31 December 2017 to 593 stores as at 31 December 2019, and increased our revenue at a CAGR of 36.1%, from RM1,229.2 million in FYE 31 December 2017 to RM2,275.6 million in FYE 31 December 2019. By contrast, the number of stores in the home improvement retail sector in Malaysia grew at a CAGR of 3.1% between 31 December 2017 and 31 December 2019.

The home improvement retail sector in Malaysia is expected to grow as a result of increasing urbanisation and household incomes in Malaysia. Between 2019 and 2024, the home improvement retail sector is expected to grow at a CAGR of 10.2% from RM7.7 billion to RM12.5 billion. The home improvement retail sector in Malaysia is underpenetrated, with approximately 216.3 home improvement retail stores per million capita in Malaysia as at 31 December 2019. By comparison, in the Asia Pacific countries of Thailand, Japan and Australia, the number of home improvement retail stores per million capita was approximately 231.4, 236.6 and 405.3, respectively, as at 31 December 2019.

As at the same date, the United Kingdom and the United States had approximately 217.8 and 370.2 home improvement retail stores per million capita, respectively. With our market leadership as a home improvement retailer, we are well-positioned to capitalise on the growth of the home improvement retail sector. For further details on our industry, see Section 8 of this Prospectus.

As the leader in the home improvement retail sector in Malaysia, the "MR. D.I.Y." brand name has high brand visibility among consumers in Malaysia as a convenient one-stop shop and a preferred destination for home improvement needs. In recognition of the strength of the "MR. D.I.Y." brand, we have received a number of awards and accolades such as the "*Brand Leadership in Retail – Home Improvement 2018 – 2019*" award from the BrandLaureate in 2019, the "*Winner in Retail – Home Improvement Category (National Tier)*" in the World Branding Awards in 2018 and 2019 and the "*Anugerah Kedai Harga Patut*" award from the Ministry of Domestic Trade and Consumer Affairs in 2014 and 2016.

(ii) Attractive price-to-quality product offering, wide range of products and convenient retail experience

Our ability to offer a wide range of products at competitive prices across a large network of conveniently located stores with a comfortable retail experience has enabled us to develop a base of repeat customers who visit our stores regularly. We have increased the number of transactions processed at our stores at a CAGR of 31.8% from approximately 58.3 million in FYE 31 December 2017 to approximately 101.3 million in FYE 31 December 2019 and we recorded approximately 40.7 million transactions at our stores in FPE 30 June 2020. Our merchandising strategy is to offer our customers a wide range of products that provide an attractive price-to-quality value proposition. This has allowed our stores to succeed in locations with limited retail shopping alternatives as well as in competitive locations nearby to larger retailers. In FYE 31 December 2019 and FPE 30 June 2020, more than 90% of our stores were profitable.

Quality products at affordable prices. Our pricing strategy is designed to provide our customers with an attractive price-to-quality product offering. Our products are selected to appeal to a wide range of consumers and are competitively priced and affordable to mass-market consumers. In a survey by Frost & Sullivan comparing a selection of our products against products of the same or similar brand, or similar products, sold by our competitors, our product offerings were generally cheaper than the same or comparable products offered by our competitors in Malaysia. See Section 8 of this Prospectus for further details.

Wide product variety. As at 30 June 2020, our stores carried approximately 16,600 SKUs on average per store across a broad range of product categories. Our main product categories are hardware, household and furnishing, electrical, stationery and sports equipment products. We also sell other products, including toys, car accessories, jewellery and cosmetics. As at the LPD, we are the sole or exclusive distributor or agent in Malaysia for 56 third party brands, including *RMZ City, Fixman, Carsun* and *Aeropak*. In FYE 31 December 2019, we were a leading distributor in Malaysia for *Philips, Faber Castell, Energizer* and brands held by *Procter & Gamble*. We also sell our white-label products under the "MR. D.I.Y." and "MR DIY Premium" brands. As part of our product merchandising strategy, we aim to offer "Something for Everyone" and are focused on ensuring that our stores are stocked with a wide range of products that allows us to fulfil our customers' shopping needs for home improvement products. We seek to maintain a competitive advantage over our competitors and new entrants into our market, and continually review our product mix in order to respond to the changing demands of our customers.

Optimised shopping experience in convenient locations. Our stores are designed to provide a comfortable and convenient shopping experience for our customers. Our stores are brightly-lit and clean, with products organised systematically based on product categories to make it easy for customers to locate products. We typically locate our stores in convenient locations that are easily accessible to our customers such as alongside busy roads, in shopping malls, business parks and shopping districts. Our stores generally operate seven days a week to maximise convenience for our customers.

(iii) Effective cost management through a lean operating structure

We are focused on a strict adherence to cost discipline and on streamlining our operations to lower per unit cost of sales. We also benefit from economies of scale and continually seek to purchase our products at attractive prices while maintaining our focus on quality. These efforts have allowed us to pass on our cost savings to our customers by selling our products at competitive prices while maintaining a desired profit margin. We intend to continue to focus on managing our cost base and operating a lean and flexible business model that allows for operational flexibility.

Sourcing and procurement. The large scale of our operations enables us to leverage on our economies of scale and we continually seek to obtain attractive terms from our end suppliers, comprising manufacturers and distributors, while maintaining our focus on quality, in order to reduce per unit cost of sales. As at the LPD, we source our products from over 800 end suppliers, comprising manufacturers and distributors, in China, Malaysia, Thailand and Indonesia. In FYE 31 December 2019, approximately 72.4% and 26.8% of our products were sourced from end suppliers, comprising manufacturers and distributors, based in China and Malaysia, respectively and in FPE 30 June 2020, approximately 73.4% and 25.7% of our products were sourced from end suppliers based in China and Malaysia, respectively. To optimise our per unit logistics costs, we typically consolidate our import purchases from end suppliers in China into full container loads before shipping.

Staff cost. Our staff cost is a significant component of our cost base and a key focus for our management team both in terms of our overall operations and at the store level. Our business and operational processes are designed to minimise staffing requirements in order to optimise our staff costs. For example, items in our stores are organised systematically based on product categories with clearly labelled display signs to make it easy for customers to locate products with little assistance from store personnel. Our centralised distribution centre and well organised layout for inventory also optimises our product distribution and fulfilment efficiency, reducing staffing requirements.

Rental expense. As at the LPD, 673 of our stores operate on tenanted properties. Our stores are typically tenanted under lease agreements for initial terms of three years with options for us to extend for multiple periods of up to three years each. As the leading player in the home improvement retail sector in Malaysia, we are able to leverage on the "MR. D.I.Y." brand to attract customer footfall when negotiating with landlords, including mall operators, for store space to secure commercially favourable terms for our stores. Additionally, the strength of the "MR. D.I.Y." brand also gives us the flexibility to rent store spaces on higher floors in shopping malls which typically have lower rental rates than prime store locations on lower floors.

Supply chain and inventory distribution expenses. Our centrally managed distribution centre minimises our costs associated with storing inventory and moving goods to our stores. As at the LPD, we operate a distribution centre consisting of a cluster of 11 closely located properties situated in Balakong, Seri Kembangan, Selangor, Malaysia and one property situated in Port Klang, Selangor, Malaysia, which we use to store and distribute all the products we sell to our stores across Peninsular Malaysia through our fleet of 113 delivery trucks and to our stores across East Malaysia and Brunei through third party freight service providers. Operating our own distribution centre and delivery fleet allows us to effectively manage our distribution costs while ensuring the timely delivery of products to our stores. Our centrally managed supply chain infrastructure enables us to regularly restock our products at all of our stores across Peninsular Malaysia, East Malaysia and Brunei.

We intend to continue to invest in our distribution and supply chain infrastructure in order to lower our per unit operating costs and gain a competitive advantage over our competitors. As part of our strategy to develop our warehousing and distribution network to support the growth of our business, we have purchased two plots of land with a total area of approximately 260,000 sq. ft., on which, subject to our tendering and internal evaluation processes, we intend to construct our first warehousing facility (Facility I) which will use technology-driven operational systems. In addition, we have entered into an agreement to acquire a plot of leasehold land located in Balakong, Seri Kembangan, Selangor, Malaysia with a total area of approximately 85,340 sq. ft. (Property 1) and we have entered into an agreement to acquire a plot of freehold land together with a warehouse building located in Balakong, Seri Kembangan, Selangor, Malaysia with a total area of approximately 80,300 sq. ft. (Property 2), both located in an area proximate to our existing distribution centre in Balakong. We intend to develop both plots of land to expand our warehousing facilities. For further details, see Section 7.10 of this Prospectus.

Notwithstanding certain delays in imports of merchandise from China in February and March 2020 when China was implementing measures to contain the spread of COVID-19, the implementation of the MCO and the onset of the COVID-19 pandemic across Asia, we have not experienced any material disruptions or delays in our supply chain and distribution operations, nor have we experienced any material increases in our supply chain and logistics costs since 1 January 2020 up to the LPD.

(iv) Scalable platform that can be leveraged for future growth

Modular store design for new store rollout. We have developed a strategy for identifying and selecting sites to open new stores and a standardised store opening process which enables us to set up new stores quickly and efficiently. Leveraging on the years of experience of our management team, we design our stores based on modular store design templates created by us. These templates establish standardised store schematics such as lighting, signage and layout that can be tailored based on store size. These templates allow us to scale and open new stores efficiently and provide our customers a consistent retail experience and quality across all our stores. Our stores are designed to optimise floor and shelf space, including product display and storage space, while incorporating flexibility to customise each store's design according to the characteristics of the selected store site, such as the store size and population demographics of the site's vicinity. Our store opening process from the day we enter into a lease for a store to the opening day for that store typically takes between 30 to 60 days. In FYE 31 December 2017, 2018 and 2019, FPE 30 June 2020 and from 1 July 2020 up to the LPD, we opened 110, 113, 126, 47 and 34 new stores (net of store closures), respectively.

Relationships with mass merchandise retailers. We have a number of retail mall-based stores located within, or adjacent to, the premises of supermarkets and hypermarkets owned and operated by established mass merchandise retailers such as AEON, Tesco and Giant, providing the concept of "a store-within-a-store". As at 30 June 2020, 134 of our stores are located within, or adjacent to the premises of these retailers. Our collaborations with these retailers enable us to benefit from the footfall to their supermarkets and hypermarkets, which typically carry products such as groceries which are complementary to our product offering. These collaborations also enable us to secure choice locations in new shopping malls owned or operated by these mass merchandise retailers for the rollout of our new stores in Malaysia.

Standardised store operational processes. We have standardised and streamlined our store operational processes to improve efficiency. For example, we generally maintain consistent pricing for our products across our stores in Malaysia, although the prices of locally-sourced products may differ between stores primarily as a result of varying logistics and distribution costs of stocking those stores with such products. We also standardise our stores' promotion and marketing campaigns, store layouts, customer order fulfilment processes and product placement and shelving arrangements, which enables store managers to easily restock products, improve inventory turnover and lower store staff requirements. Our operational processes are designed to support our focus on our core business model of attracting and retaining customers with a wide variety of products at an attractive price-to-quality value offering at conveniently located stores.

Operational knowhow supported by data-driven analysis. Our operational expertise has been developed and refined through the operation of a sizeable store portfolio. Leveraging on our experience and operational know-how, we have developed our operational framework with a focus on improving efficiency and lowering costs. We regularly review the data we collect from our operations to guide our business strategies to ensure the sustainable growth of our business. We have implemented customised software systems in our business, which provide us with the relevant operational data to track and fine tune our business processes. These systems have enabled us to improve our operational efficiency, including by minimising order lead-times, maintaining store inventory levels and restocking store inventory quickly and regularly, tracking store performance, as well as facilitating the delivery of products from our distribution centre to our stores.

(v) Strong track record of profitable growth and cash generation

We have generated strong revenue and EBITDA growth over the last three financial years. Our revenues have increased year-on-year at a CAGR of 36.1%, from RM1,229.2 million in FYE 31 December 2017 to RM2,275.6 million in FYE 31 December 2019. Our EBITDA has increased at a CAGR of 30.9% from RM371.4 million in FYE 31 December 2017 to RM636.3 million in FYE 31 December 2019. During this period of growth, our EBITDA margins were at 30.2%, 29.9% and 28.0% in FYE 31 December 2017, 2018 and 2019, respectively.

Although we were initially required to temporarily close all of our stores in Malaysia following the implementation of the MCO on 18 March 2020, we received approvals from the relevant authority in Malaysia in April 2020 to reopen a number of our stores, subject to limitations on the number of hours each day and/or a limited number of days per week our stores were permitted to operate. With the implementation of the CMCO, we were permitted to reopen our stores in Malaysia in accordance with the rules of the CMCO and by 31 May 2020, none of our stores in Malaysia were closed due to the restrictions under the MCO. Following the implementation of the RMCO on 10 June 2020, certain of the prohibitions and restrictions imposed under the CMCO have been relaxed and/or lifted, allowing us to resume normal operating hours and days of our stores. With the reopening of our stores, our revenue for the months of May and June 2020 increased to RM233.5 million and RM232.1 million, respectively, compared to our revenue in April 2020 of RM51.0 million (based on our unaudited consolidated management accounts for the months of April, May and June 2020) and an average monthly revenue of RM189.6 million in FYE 31 December 2019. However, should the COVID-19 pandemic persist or worsen in Malaysia, or if the RMCO restrictions are extended or enhanced, we may not be able to sustain these revenue levels or we may again see a decline in revenues.

We have a strong cash generation profile due to our ability to operate profitably. Our stores are generally designed to be functionally efficient and practical, yet attractive to customers, in order to enable us to achieve our target payback on our new stores within two years.

The payback period for our new stores opened in FYE 31 December 2017 and 2018 is under two years. The payback period for our new stores opened in FYE 31 December 2019 will be known after the LPD. However, we expect the payback period for these new stores to similarly be under two years. Our average capital expenditure to open a new store excluding inventory, was approximately, RM552,000, RM600,000, RM575,000 and RM581,000 in FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020, respectively. Payback for new stores in a particular year is calculated by aggregating the monthly average EBITDA (after adjusting for cash rentals) for new stores opened in that year starting from the month of opening such stores, until such period that the sum exceeds the average capital invested per new store opened in that year. For the purposes of our calculation, the capital invested per new store includes capital expenditure, initial inventory, utility deposits and rental deposits.

(vi) Experienced founder-led key senior management with a proven track record and incentivised workforce

Our founder-led key senior management has successfully grown our business since the first store opened in 2005 by successfully implementing our business model, store roll-out strategy and developing our relationships with manufacturers, distributors, trading houses and third party service providers. Our key senior management team has an average of 14 years of relevant retail experience. Leveraging on their experience in and understanding of the home improvement market and local demographics in the locations where we operate, our key senior management has successfully developed and implemented our retailing processes. Upon the completion of our Listing, our key senior management will hold approximately 57.4% of our Company's issued Shares (assuming the full subscription of the Issue Shares allocated to Eligible Persons), thus aligning their interests with the performance of our Group.

At the store level, our in-store management teams are empowered and incentivised to drive the sales and profitability of their respective stores. Our store level staff's salaries include a performance-based portion, which provides our store staff with financial incentives to drive sales at our stores and to minimise loss of stock at our stores.

We strive to cultivate an employee-oriented and customer-focused culture. As at the LPD, our full-time staff comprised of 10,162 employees. We focus on retaining and developing our staff team through our on-going training and development programmes, which help to ensure that our customer-facing staff are properly trained and knowledgeable about our product offerings, allowing them to provide a positive retail experience for our customers. In addition, our procurement, warehouse management, distribution and fulfilment functions constantly seek to improve the current operational processes to drive efficiency and productivity.

7.2.2 Our future plans and strategies

We intend to pursue the following strategies to grow our business.

(i) Continue to expand our presence and grow our store network

We have a strong track record of growing our store network in Malaysia by successfully opening new and profitable stores. We intend to leverage on our business model and operational platform to continue to scale our store network to capitalise on the underpenetrated home improvement retail sector in Malaysia, with a target of opening at least 100 "MR. D.I.Y." stores in 2020 and approximately 100 "MR. D.I.Y." stores in 2021 at an estimated aggregate cost of approximately RM160.0 million per annum. This cost to fund the growth of our network of "MR. D.I.Y." stores comprising capital expenditure (approximately RM62.0 million per annum) and initial inventory stocking (approximately RM86.0 million per annum) and other costs used to defray expenses associated with the opening of new stores (approximately RM12.0 million per annum) will be funded through our internally generated funds and bank borrowings. In FPE 30 June 2020 and from 1 July 2020 up to the LPD, we have already opened 45 and 25 "MR. D.I.Y." new stores, respectively. From the LPD up to 31 December 2020, we expect to open an additional 30 "MR. D.I.Y." stores.

(ii) Continue to deliver positive SSSG through increased brand awareness, attractive price-to-quality product offering and convenience to our customers

In FYE 31 December 2017, 2018 and 2019, our stores achieved an average SSSG of 6.5%, 4.5% and 1.8%, respectively. In FPE 30 June 2020, our stores achieved an average SSSG of negative 24.6%, primarily due to the temporary closure of a number of our stores in Malaysia in FPE 30 June 2020 following the implementation of the MCO. Our Adjusted SSSG in FPE 30 June 2020 was negative 0.1%, primarily due to the continuation from 2019 of a general slowdown in consumer demand in Malaysia in FPE 30 June 2020. For further details, see Section 12.2.2 of this Prospectus. We intend to continue to focus on delivering positive SSSG for our stores. The expansion of our store network further increases our brand awareness, which we expect to drive footfall to our stores. In connection with the opening of our new stores we anticipate to incur approximately RM1.4 million in 2020 and RM2.0 million in 2021 for marketing expenses such as the printing and distribution of flyers, the cost of freebies and social media advertisement. At the same time, we intend to continue to offer attractive price-to-quality value and convenience to our customers, which will drive customer loyalty and repeat business to our stores.

We also intend to continue to actively monitor our customers' demand for our products and continue to customise our product range in response to changes in customer preferences and buying patterns. Every quarter, we review our product offering and grade each product on certain criteria such as sales volumes and margins, to determine the optimal amount of shelf space and the optimal shelf space positioning of products in our stores. We also qualitatively and quantitatively provide feedback on our products to our end suppliers to assess ways to improve sales of the particular product, for example, by adjusting the selling price of a product. If we observe that a certain product consistently underperforms on our grading system, we reallocate our stores' shelf space to different products and phase out the underperforming product. With the reopening of our stores in Malaysia in conjunction with the implementation of the CMCO and the RMCO, we saw customer demand for consumer staples, such as face masks, face shields and hand sanitiser. We intend to continue to expand our product offering to cater to our customers' demand for such consumer staples.

We constantly keep abreast of new product trends by participating in trade shows and conventions and collaborating closely with product manufacturers domestically and overseas to bring in products which are attractive to consumers in Malaysia. Although the COVID-19 pandemic and the MCO have imposed restrictions on international travel, we continue to engage with our product manufacturers on a regular basis to keep abreast with new product trends. We also intend to continue to evaluate opportunities for us to sell products as white-label products where doing so would provide greater value to our customers.

(iii) Expand into new retail formats

There are good long-term opportunities as we intend to leverage on our knowledge of local industry practices, customer preferences, direct sourcing network and scale advantage to access new customer segments when the opportunity arises.

For example, the willingness and propensity of households in Malaysia to spend on products for babies and children provide us with an opportunity for further growth. In May 2019, we opened our first "MR. TOY" store in Malaysia, which is focused on selling products for babies and children, such as toys. As at the LPD, we have opened 28 "MR. TOY" stores in Malaysia. We have also opened our first "MR. DOLLAR" store in August 2020, which is focused on catering to the consumer demand for low-cost household products, food and beverage items and groceries. All of the products in our "MR. DOLLAR" stores are priced at RM2.00 or RM5.00 in order to provide an attractive value proposition to this segment of the market. As at the LPD, we have opened two "MR. DOLLAR" stores in Malaysia.

As part of our strategy to grow our store network as set out in Section 7.2.2(i) of this Prospectus, we intend to open up to 22 "MR. TOY" stores and up to ten "MR. DOLLAR" stores in 2020 at an estimated aggregate cost of approximately RM34.0 million, comprising capital expenditure (approximately RM19.0 million at about RM550,000 for each new "MR. TOY" store and about RM650,000 for each new "MR. DOLLAR" store), initial inventory stocking (approximately RM11.0 million) and other costs used to defray expenses associated with the opening of new "MR. TOY" and "MR. DOLLAR" stores (approximately RM4.0 million). From the LPD up to 31 December 2020, we expect to open an additional eight "MR. TOY" and "MR. DOLLAR" stores, each.

We also intend to open approximately 25 "MR. TOY" stores and approximately 50 "MR. DOLLAR" stores in 2021 at an estimated aggregate cost of approximately RM84.0 million, comprising capital expenditure (approximately RM47.0 million), initial inventory stocking (approximately RM26.0 million) and other costs used to defray expenses associated with the opening of new "MR. TOY" and "MR. DOLLAR" stores (approximately RM11.0 million).

This cost to fund the growth of our network of "MR. TOY" and "MR. DOLLAR" stores in 2020 and 2021 will be funded through our internally-generated funds and bank borrowings.

Our "MR. TOY" and "MR. DOLLAR" stores complement our existing portfolio of stores and carry a wide range of products for, in relation to our "MR. TOY" stores, babies and children at an attractive price-to-quality value and, in relation to our "MR. DOLLAR" stores, customers seeking low-cost household products, food and beverage items and groceries with an attractive price-to-quality value, consistent with our promise of "Always Low Prices". We source for these new products by leveraging on our existing network of end suppliers.

The following table summarises the estimated aggregate cost of opening new stores for the periods indicated.

Description	**2020**	**2021**
"MR. D.I.Y." stores		
Estimated aggregate costs	RM160.0 mil	RM160.0 mil
Number of stores	100 stores	100 stores
"MR. TOY" stores		
Estimated aggregate costs	RM22.0 mil	RM26.0 mil
Number of stores	22 stores	25 stores
"MR. DOLLAR" stores		
Estimated aggregate costs	RM12.0 mil	RM58.0 mil
Number of stores	10 stores	50 stores

As at the LPD, we have not identified any specific acquisition targets.

7.3 KEY MILESTONES

The following table summarises our key milestones.

Year	Event
2005	The first "MR. D.I.Y." store opened at Jalan Tuanku Abdul Rahman, Kuala Lumpur, Malaysia, focusing on hardware and home improvement products.
2006	We opened our third "MR. D.I.Y." store at Kuchai Lama, Kuala Lumpur, Malaysia, marking the broadening of our product offering into the product categories that we carry today.
2009	We opened our first store in an AEON shopping mall at the AEON Taman Equine shopping mall in Seri Kembangan, Selangor, Malaysia.
2010	We opened our first store at a Tesco shopping outlet at the Tesco hypermarket at Setia Alam, in Shah Alam, Selangor, Malaysia.
2013	We established our distribution centre in Balakong, Seri Kembangan, Selangor, Malaysia. Previously, we rented facilities in other locations to fulfil our logistical needs.
2014	We opened our first "MR. D.I.Y." store in East Malaysia at 1Borneo Hypermall in Kota Kinabalu, Sabah, Malaysia.
2014	We opened our first store at a Giant shopping outlet at Giant Superstore Ulu Kelang in Taman Permata, Kuala Lumpur, Malaysia.
2014	We opened our 100th "MR. D.I.Y." store in Malaysia at Giant Hypermarket Kemuning Utama in Shah Alam, Selangor, Malaysia.
2016	Creador Funds, through Hyptis, acquired their initial 5.0% shareholding in our Company.
2016	We opened our first "MR. D.I.Y." store in Brunei at Plaza Abdul Razak in Bandar Seri Begawan, Brunei-Muara, Brunei.
2017	We opened our 250th "MR. D.I.Y." store in Malaysia at Palm Square Commercial Centre in Papar, Sabah, Malaysia.
2017	We began offering our products on Shopee, a third party e-commerce platform.
2017	We opened our first "MR. D.I.Y." store in Perlis, Malaysia, marking our achievement of having at least one store in every state in Malaysia.
2018	We opened our store at Mid Valley Megamall in Kuala Lumpur, Malaysia, marking our presence in one of Malaysia's top three malls by footfall. See Section 8 of this Prospectus.
2018	We launched our own dedicated e-commerce website, www.mrdiy.com.my and began offering our products on Lazada, a third party e-commerce platform.
2018	We opened three additional warehousing facilities at our distribution centre in Balakong, Seri Kembangan, Selangor, Malaysia.
2018	We opened our 450th "MR. D.I.Y." store in Malaysia at Orchard Plaza in Tenom, Sabah, Malaysia.
2019	We opened our first "MR. TOY" store at Tesco Rawang, Selangor, Malaysia.

Year	Event
2019	We opened our 500th "MR. D.I.Y." store in Malaysia at 1 Utama Shopping Centre in Petaling Jaya, Selangor, Malaysia in May 2019.
2019	We opened our 550th "MR. D.I.Y." store in Malaysia at Tesco Melaka Cheng, Melaka, Malaysia in September 2019.
2020	We opened our 600th "MR. D.I.Y." store in Malaysia at Jalan Niaga Bestari, Bandar Puncak Alam, Selangor, Malaysia.
2020	We opened an additional warehousing facility (Facility H) at our distribution centre in Balakong, Seri Kembangan, Selangor, Malaysia.
2020	We opened our first "MR. DOLLAR" store in Taman Maluri, Kuala Lumpur, Malaysia.

7.4 OUR BUSINESS

7.4.1 Our stores

As at the LPD, we operate 640 stores across Peninsular Malaysia, Sabah and Sarawak and four stores in Brunei under the "MR. D.I.Y." brand, 24 stores in Peninsular Malaysia and four stores in Sabah and Sarawak under the "MR. TOY" brand and two stores in Peninsular Malaysia under the "MR. DOLLAR" brand. We operate all of our stores directly, and not through any franchise or agency arrangements. As at the LPD, 673 of our stores operate on tenanted properties and one of our stores operates on a property owned by us.

The following table sets out a breakdown of our store network by country as at the dates indicated.

	As at 31 December			As at 30 June 2020	As at the LPD
	2017	**2018**	**2019**		
Malaysia	351	463	589	636	670
Brunei	3	4	4	4	4
Total	**354**	**467**	**593**	**640**	**674**

The following map shows the geographical distribution of our store network as at the LPD.

Central	:	Consists of the state of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya.
East Coast	:	Consists of the states of Kelantan, Terengganu and Pahang.
North	:	Consists of the states of Perlis, Kedah, Pulau Pinang and Perak.
South	:	Consists of the states of Johor, Melaka and Negeri Sembilan.
East Malaysia	:	Consists of the states of Sabah and Sarawak, and the Federal Territory of Labuan.

The following table sets out a breakdown of our store network in Malaysia by region and Brunei as at the LPD, alongside the population and population density of such regions as at 31 December 2019.

	As at the LPD	**As at 31 December 2019**	
Region	**No. of stores**	**Population[(1)]**	**Population density[(1)]**
		(Millions)	**(Persons per sq. km)**
Peninsular Malaysia			
Central	216	8.5	1,027
East Coast	105	4.8	76
North	113	6.8	209
South	134	5.9	213
East Malaysia	102	6.9	35
Brunei	4	0.5	80

Note:

(1) Source: Frost & Sullivan; Department of Economic Planning and Development, Ministry of Finance and Economy, Brunei.

The following table sets out a breakdown of the revenue generated by our stores in Malaysia by region and in Brunei, in FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2019 and 2020.

	FYE 31 December			**FPE 30 June**	
Region	**2017**	**2018**	**2019**	**2019**	**2020**
	(RM'mil)	**(RM'mil)**	**(RM'mil)**	**(RM'mil)**	**(RM'mil)**
Peninsular Malaysia					
Central	374.7	532.2	718.4	339.1	338.2
East Coast	165.9	242.6	293.7	141.4	130.3
North	192.4	284.7	352.1	170.1	167.7
South	272.0	375.4	483.2	237.2	214.7
East Malaysia	206.1	312.2	385.1	189.8	163.0
Sub-total	1,211.1	1,747.1	2,232.5	1,077.6	1,013.9
Brunei	16.6	19.1	20.0	10.1	10.8
Total	**1,227.7**	**1,766.2**	**2,252.5**	**1,087.7**	**1,024.7**

The following table sets out the net change in the number of our stores for the periods indicated.

	FYE 31 December			FPE 30 June	From 1 July 2020 up to the LPD
	2017	2018	2019	2020	LPD
Number of stores at the beginning of the year/period	244	354	467	593	640
Number of new stores opened during the year/period	(1)115	(3)122	(2)(4)132	(6)(7)51	(9)35
Number of stores closed during the year/period	(1)(5)	(2)(3)(9)	(4)(5)(6)(6)	(7)(8)(4)	(9)(10)(1)
Net increase in number of stores during the year/period	110	113	126	47	34
Number of stores at the end of the year/period	354	467	593	640	674

Notes:

(1) Excludes three stores that we relocated to nearby locations with additional floor space.

(2) Excludes one store that we closed in 2018 and relocated in January 2019 to a nearby location with additional floor space.

(3) Excludes seven stores that we relocated to nearby locations at the request of the landlord of the store space or in order to expand the size of the store.

(4) Excludes five stores that we relocated to nearby locations at the request of the landlord, in order to expand the size of the store or, in respect of one store, a water leakage issue at the previous store lot.

(5) Excludes one store that we closed due to the temporary closure of the mall in which the store was situated.

(6) Excludes one store that we closed in December 2019 and relocated in January 2020 to a nearby location in order to expand the size of the store and one store that we closed in December 2019 and moved in January 2020 to a lower floor of the mall in which it was situated.

(7) Excludes two stores that we relocated to nearby locations in order to expand the size of the store.

(8) Excludes one store that we closed due to the temporary closure of the mall in which the store was situated.

(9) Excludes one store that we relocated.

(10) Excludes one store that we closed pending receipt of a business licence.

We operate our stores in two formats, namely (i) retail mall-based stores, and (ii) standalone shopfront stores.

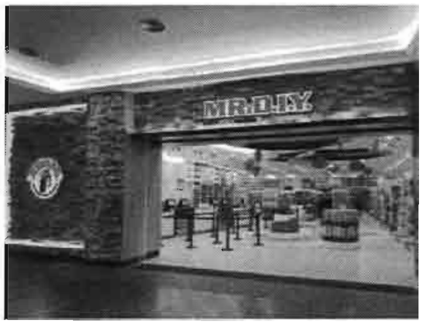
Our retail mall-based stores occupy a dedicated shop space within the premises of retail consumer buildings, such as shopping malls and business parks. We also have a number of retail mall-based stores located within, or adjacent to, the premises of supermarkets and hypermarkets owned and operated by established mass merchandise retailers such as AEON, Tesco and Giant, providing the concept of "a store-within-a-store". Locating our stores in these premises allows our stores to benefit from the customer footfall to these supermarkets and hypermarkets, as well as any additional footfall generated by the promotional activities of the host retailer. Our standalone shopfront stores occupy shop-lots in buildings.

Retail Mall-Based Store

(i) 386 stores in this format as at the LPD; and

(ii) Typically located on higher floors of shopping malls or within, or adjacent to, the premises of supermarkets and hypermarkets.

Our retail mall-based store in Paradigm Mall in Petaling Jaya, Selangor, Malaysia



Our retail mall-based store in Mid Valley Megamall in Kuala Lumpur, Malaysia

Retail Mall-Based Stores located within Mass Merchandise Retailers' Premises

Our retail mall-based store in Ampang Point Shopping Centre, Selangor, Malaysia

Our retail mall-based store in Tesco Lukut, Port Dickson, Negeri Sembilan, Malaysia

Note: The real estate properties depicted above are not owned by us.

Standalone Shopfront Store

(i) 288 stores in this format as at the LPD; and

(ii) Typically at street level.

Our standalone shopfront store at Pusat Perniagaan Ampang in Ipoh, Perak, Malaysia

Our standalone shopfront store at Sunway Mentari in Petaling Jaya, Selangor, Malaysia

Note: The real estate properties depicted above are not owned by us.

The following table sets out a breakdown of our sales in Malaysia and Brunei by store format for the periods indicated.

	FYE 31 December			FPE 30 June
Store format	**2017**	**2018**	**2019**	**2020**
	(RM'mil)	**(RM'mil)**	**(RM'mil)**	**(RM'mil)**
Retail Mall-Based	943.2	1,219.5	1,395.8	593.8
Standalone Shopfront	284.5	546.7	856.7	430.9
Revenue from stores[(1)]	**1,227.7**	**1,766.2**	**2,252.5**	**1,024.7**

Note:

(1) Excludes revenue from our e-commerce website, the sale of our products on third party e-commerce retail platforms, revenue from trading of our products and, in relation to FPE 30 June 2020, ad hoc bulk sales to corporate third parties, which form part of our total revenue in our financial statements.

The following table sets out a breakdown of our stores in Malaysia and Brunei by store size as at 30 June 2020.

Store size (sq. ft.)	**No. of stores**
Less than 6,000	105
6,000 to 12,000	406
More than 12,000 to 20,000	125
More than 20,000	4
Total	**640**

As part of our strategy to capture the growth opportunities in the underpenetrated home improvement retail sector in Malaysia, we plan to continue to expand our store network across Malaysia. See Section 7.2.2 of this Prospectus for further details.

We assess the performance of our existing stores by monitoring a variety of performance metrics, such as customer traffic and sales, for each store on a monthly basis. Our target is to achieve payback on our new stores within two years.

SSSG is a measure of the growth in revenue generated by our stores during a period compared to the revenue generated by those same stores during the corresponding period of the same duration in the immediately preceding year. See Section 12.2.2 of this Prospectus for further details. The following table sets out the SSSG of our stores for the years/periods indicated:

	FYE 31 December			FPE 30 June	
	2017	**2018**	**2019**	**2019**	**2020**
SSSG(1)(2)	6.5%	4.5%	1.8%	7.2%	(24.6)%
Adjusted SSSG(3)	N/A	N/A	N/A	N/A	(0.1)%
Number of stores included in the calculation of SSSG	163	219	331	330	449
Average number of stores during the financial year/period(4)	299	410	530	495	616

Notes:

(1) The SSSG of our stores for a period (e.g. 12 months) is calculated by dividing (a) the revenue generated by our stores during that period after deducting the revenue generated by those same stores during the corresponding period of the same duration in the immediately preceding year, by (b) the revenue generated by those same stores during the period of the same duration in the immediately preceding year. SSSG for a six-month period can therefore only be calculated for our stores which have been in operation for the full six months for the relevant period as well as the same corresponding period in the prior year and SSSG for a 12-month period can therefore only be calculated for our stores which have been in operation for a minimum of 24 months. For further details, see Section 12.2.2 of this Prospectus.

(2) SSSG excludes sales generated by our stores which were closed temporarily and later re-opened. For further details, see Section 7.4.1 of this Prospectus.

(3) In FPE 30 June 2020, a number of our stores in Malaysia were required to be temporarily closed as a result of the implementation of the MCO from 18 March 2020 to 3 May 2020. For further details on the implementation of the MCO, see Sections 7.25 and 12.2.1 of this Prospectus. We present the Adjusted SSSG of our stores in FPE June 2020 in order to reflect the sales performance of our stores in FPE June 2020, excluding the period of 18 March 2020 to 3 May 2020 (both dates inclusive) during which the MCO was in force. To calculate the Adjusted SSSG of our stores in FPE 30 June 2020, we exclude any sales generated by our stores for the periods of 18 March to 3 May (both dates inclusive) in FPE 30 June 2019 and FPE 30 June 2020.

(4) Calculated based on the simple average of the number of stores at the beginning of the financial year/period and at the end of the financial year/period. At the beginning of FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2019 and 2020, we had 244, 354, 467, 467 and 593 stores respectively. At the end of FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2019 and 2020, we had 354, 467, 593, 523 and 640 stores, respectively.

7.4.2 Store opening process

Our store opening process comprises the following phases: (i) site identification and preliminary site assessment; (ii) physical site visit; and (iii) site implementation. In FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020 and from 1 July 2020 up to the LPD, we opened 110, 113, 126, 47 and 34 new stores (net of store closures), respectively.

Site identification and preliminary site assessment

The location of our stores is an important factor to our success and we have an in-house business development team that actively sources, either directly or through third party local agents, potential new sites for our stores by identifying premises which are new, vacant or are soon to be vacated by an existing tenant. From time to time, we also receive unsolicited proposals from property owners and third party agents for us to consider opening our stores at their premises.

Once we have identified a potential new site, our internal site assessment and procurement team will conduct due diligence, feasibility studies and market analyses to assess the proposed site against a range of factors that may contribute to the commercial success of our stores, including the size and demographics of the local population, and the presence of other retailers in, customer traffic to, and the accessibility and the developmental prospects of the area.

Physical site visit

If a site is approved through our preliminary site assessment process, our internal site assessment team then conducts physical visit to the site as part of our due diligence assessment and to verify any assumptions in our preliminary assessment of the site. Physical site visit also enable us to assess physical and environmental characteristics of a site, which we may not otherwise have been able to assess.

Site implementation

If a site passes our preliminary and physical site assessments, we proceed to negotiate and execute the tenancy agreement for the site and take vacant possession of the site. We appoint a third party contractor with whom we have pre-negotiated key unit and labour prices to fit out the new store, including the installation of equipment, furniture, fittings, security systems and electrical fittings. Our store operations team oversees the fit out of a new store to ensure that the store's operational requirements are met. Once the store fit out is completed, we arrange for inventory to be delivered to the store. To determine the initial product mix for a new store, we review the sales history of our other stores in areas with similar demographics and adjust the product mix based on our experience. If a store is our first store in an area, we determine its initial product mix by reviewing the sales history of stores in the most closely comparable area. Our site implementation process from the day we enter into a lease for a store to the opening day for that store typically takes between 30 to 60 days.

Our average capital expenditure to open a new store, excluding inventory, was approximately, RM552,000, RM600,000, RM575,000 and RM581,000 in FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020, respectively. However, the length of the site implementation process and the capital expenditure on each new store varies depending on factors such as the fit-out requirements of the relevant landlord, the locality and condition of the site, and the intended size of the new store.

Following the implementation of the MCO by the Government of Malaysia on 18 March 2020, which generally prohibited or restricted a wide spectrum of commercial activities in Malaysia, we had to delay the opening of a number of new stores in Malaysia in compliance with the MCO. Such prohibitions and restrictions have been relaxed and/or lifted in connection with the implementation of the CMCO and the RMCO, which has allowed us to continue to open new stores. Since the implementation of the CMCO on 4 May 2020, we have continued to open new stores. In May and June 2020, we opened a total of 12 new stores in Malaysia (net of store closures). In FPE 30 June 2020, we opened 47 new stores (net of store closures), as compared to 56 stores (net of store closures) in FPE 30 June 2019.

7.4.3 Store design, layout and presentation

We design our stores based on modular store design templates created by us. These templates establish standardised store schematics such as lighting, signage and layout that can be tailored for store size. These templates allow us to scale and open new stores efficiently and provide our customers a consistent retail experience and quality across all our stores. Our stores are designed to optimise floor and shelf space, including product display and storage space.

7.4.4 Store operations

We operate and manage all of our stores directly through our employees. All of our stores are centrally managed by our management team, which is based at our corporate head office in Balakong, Seri Kembangan, Selangor, Malaysia. Our management team oversees the operations of our network of stores, including the setting of store-level inventory requirements, managing staffing requirements between stores, and coordinating store-level marketing and promotional campaigns.

We also have store-level operations teams at each of our stores who attend to the day-to-day running of our stores. As at the LPD, each store was staffed on average by 13 employees, including a store-level leadership team made up of a supervisor and two assistant supervisors. We determine the optimal staff size for each store by considering several factors, including the length of time the store has operated, its size and display area, and average monthly sales.

Stock levels for each product at each of our stores are set centrally by our purchasing teams. Our store-level POS systems interact with our central inventory management and product distribution system, which allows us to closely monitor the stock levels at each of our stores so that we can replenish stock levels at our stores, including by transferring stock among our stores on an ongoing basis. This enables us to maintain optimal stock levels at our stores and to mitigate the effect of any unexpected loss of stock at our stores, whether through accidental damage to our stock or pilferage. In addition, at the store-level, the supervisor monitors physical stock levels from time to time and notifies our operations teams if stock levels are too low or too high. Our operations team will then adjust stock levels and re-order thresholds as needed. For more information on our supply chain process, see Section 7.10 of this Prospectus. We also conduct checks for missing and damaged stock from time to time through our store supervisors or assistant supervisors and we conduct a stock-taking exercise every 8 to 16 months to assist each store supervisor in identifying causes of, and implementing store-specific plans to prevent, stock loss.

Our store-level sales and promotion strategies are coordinated centrally by our marketing team. These strategies involve: (i) coordinating promotions on certain products on a monthly basis; (ii) implementing price adjustments to specific products for the purposes of stock clearance; and (iii) organising and implementing promotional programmes.

7.4.5 Store maintenance and performance assessment

We conduct major refurbishment works on our stores on a case by case basis when there is an opportunity or need for refurbishment. In many cases, we refurbish our stores when we are extending the term of the lease for the store or if we are expanding it. The cost of refurbishment varies depending on the extent of refurbishment required and the location of the store. We monitor and assess the performance of each of our stores by tracking four key performance indicators on a monthly basis, compared against performance during the corresponding month of the preceding year, and on an annual basis, compared against performance during the preceding year: (i) same store sales; (ii) manpower efficiency, calculated as the total salary of the staff of a store as a percentage of sales generated by the store; (iii) net stock loss, calculated as the amount of stock lost by a store as a percentage of the sales generated by the store; and (iv) total expenses of a store as a percentage of the sales generated by the store. We benchmark these key performance indicators against targets which we set for each store at the time of opening of the store, on the basis of the required operating profits for the store to provide a certain return on our capital investment. We also incentivise the performance of our store staff through an incentive scheme which awards store staff with monetary bonuses for meeting sales targets for selected products and for meeting targets for reducing the loss of stock at their store. The retail management team subsequently renews these targets every year.

From time to time, if we determine that a store is no longer operationally or commercially viable or profitable, we may close the store. In some cases, if we expect that a store would be more profitable if it were situated in a different location within the store's vicinity, we may close that store and open a new store in the more promising location. In FYE 31 December 2017, 2018, 2019 and FPE 30 June 2020, we closed five, nine, six and four stores respectively, for various reasons, including the underperformance of certain stores and the closure of the shopping mall in which certain stores were situated.

7.4.6 E-commerce

We launched our own dedicated e-commerce website, www.mrdiy.com.my, in June 2018. Our e-commerce website allows our customers in Malaysia to browse, order and pay for our products online. Orders placed through our e-commerce website are fulfilled through third party delivery service providers, which assures customers of our ability to have their selected goods delivered in a timely manner and leverages on the delivery expertise of those third party delivery service providers. In addition, as at the LPD, our customers may choose to have their purchases delivered, for "store pickup" within two to five working days, to one of our 84 stores in the Klang Valley area comprising Kuala Lumpur and its adjoining cities and townships, Johor, Perak and Penang. We intend to expand our "store-pickup" service to other regions in Malaysia as online sales to residents in such regions increase.

Our e-commerce website provides our customers with convenient access to a wide range of products 24 hours a day and seven days a week and allows us to expand our customer base without incurring the cost of opening a new store. We target a broad range of customers for our e-commerce website and we have recently launched a mobile optimised version of our e-commerce website to create a more user-friendly retail experience for our online customers. We maintain a dedicated warehousing facility within our distribution centre to service our e-commerce website. In the future, we intend to expand the product range available on our e-commerce website to sell products that take up too much shelf or floor space or products that require consumer education which is more effectively delivered to customers through a digital platform.

We also began to offer our products on third party e-commerce retail platforms, such as Shopee and Lazada in November 2017 and November 2018, respectively. We market and sell our products on these third party e-commerce retail platforms under the "MR. D.I.Y." brand, which allows us to leverage on the online customer base of these third party retail platforms to build our brand and to grow our customer base. In FYE 31 December 2019 and FPE 30 June 2020, sales from our e-commerce website and third party e-commerce retail platforms and, in relation to FPE 30 June 2020, ad hoc bulk sales to corporate third parties accounted for 0.3% and 1.6%, respectively, of our total sales revenue.

Following the implementation of the MCO on 18 March 2020, we have also seen an increase in our revenue generated through sales channels other than our stores. During the months of March, April and May 2020, our sales through our e-commerce website and third party e-commerce retail platforms increased and we also generated revenue through ad hoc bulk sales to corporate third parties. Our aggregate sales generated through our e-commerce website and third party e-commerce retail platforms and ad hoc bulk sales to corporate third parties in the six month FPE 30 June 2020 was RM17.0 million compared to our aggregate sales of RM5.8 million generated through our e-commerce website and third party e-commerce retail platforms for the whole of FYE 31 December 2019.

7.4.7 Our products

Our merchandising strategy is to offer our customers a wide range of products that provide attractive price-to-quality value propositions. We aim to tailor our stores' product mix to meet the needs of the profile of customers we serve at a specific store. For each new store, we determine the store's initial product mix based on the product mix of existing stores with a similar profile. We subsequently refine the product mix of the new store based on the sales performance of the products at that store.

The products we sell comprise both third party branded products and products sold under the "MR. D.I.Y." and "MR DIY Premium" brands, which we refer to as "white-label" products.

(i) Third party branded products

We sell products under brands owned by third parties, including reputed brands such as *Philips*, *Dunlop*, *Faber Castell*, *WD-40* and *Energizer*. As at the LPD, we are the sole or exclusive distributor or agent in Malaysia for 56 third party brands, including *RMZ City*, *Fixman*, *Carsun* and *Aeropak* and in FYE 31 December 2019, we were a leading distributor in Malaysia for *Philips*, *Faber Castell*, *Energizer* and brands held by *Procter & Gamble*.

(ii) White-label products

We sell our white-label products under the "MR. D.I.Y." and "MR DIY Premium" brands and we work closely with third party manufacturers to design many of our white-label products. While third party branded products still account for a majority of our sales, our white-label products differentiate us from other retailers, and we are able to provide our customers with goods of a higher price-to-quality value proposition than third party branded products. We carry white-label products under each of our main product categories. Our popular white-label products include "MR. D.I.Y." branded batteries, hardware tools and home appliances.

(iii) Product selection and product mix

We have a dedicated product procurement team, which identifies suitable products for our stores by engaging directly with manufacturers in Malaysia and overseas, conducting visits to product expositions and conducting market studies. Our product procurement team evaluates proposed new products against similar products that we offer considering, among other things, product quality, price and manufacturers' feedback regarding their best-selling products. We also offer seasonal products in conjunction with the festive seasons such as Chinese New Year, Christmas and Hari Raya.

We continually review our product mix in order to respond to the changing demands of our customers and to maintain a competitive advantage over our competitors or new entrants into our market. Every quarter we assess and grade each of our products on the basis of certain criteria such as sales volumes and sales margins and determine the optimal shelf space that should be allocated to a product. As the grading attributed to a product declines, we typically allocate reduced shelf space to the product and eventually cease to replenish the product once existing stocks have been depleted. The following table sets out a breakdown of our sales by product category for the periods indicated.

	FYE 31 December			FPE 30 June 2020
	2017	**2018**	**2019**	
	%	%	%	%
Hardware	18.4	18.1	18.0	18.3
Household and furnishing	36.4	37.0	38.5	40.0
Electrical	11.1	11.4	10.4	10.3
Stationery and sports equipment	10.4	9.8	9.3	7.4
Others	23.7	23.7	23.8	24.0
Total	**100.0**	**100.0**	**100.0**	**100.0**

Hardware. This product category contains tools and equipment for the purposes of home improvement and maintenance, and includes plumbing, gardening and power and hand tools.

Household and furnishing. This product category encompasses a large range of home organisation, home decoration and cooking items, appliances and accessories, and includes housekeeping and storage solutions, kitchen appliances, bathroom accessories and kitchenware. In response to the COVID-19 pandemic and the MCO in Malaysia, we have increased our offering of consumer staple products such as face masks, face shields and hand sanitiser, in line with the increased demand for these items among our customers.

Electrical. Electrical products include simple electronic products such as lights, hairdryers and electric shavers and electrical and travel accessories such as charging cables, extension cords and electronic adapters.

Stationery and sports equipment. This product category includes general office stationery supplies such as pens, files and tape, and casual sports equipment and accessories such as swimming accessories and exercise weights and mats.

Others. We carry a wide range of other products, including toys, car accessories, jewellery, cosmetics and food and beverage items.

The product offering of our "MR. DOLLAR" stores focuses on food and beverage items, such as chocolates, candy, snacks and biscuits. As at the LPD, the food and beverage products carried by our "MR. DOLLAR" stores have an average shelf life of more than a year.

7.5 PRICING

Our pricing strategy is designed to provide our customers with an attractive price-to-quality product offering. Our products are selected to appeal to a wide range of consumers, and are competitively priced and affordable to mass-market consumers. We are able to offer affordable prices partly due to our disciplined procurement process, which sets out purchasing parameters for our procurement team based on pricing expectations and optimal margins for our products. We continually monitor market prices and trends for our products and implement appropriate adjustments to our prices and implement price promotions as and when necessary to maintain the competitiveness of our product pricing. From time to time, we also offer discounted pricing on certain of our products in order to drive the sales of a product.

We generally maintain consistent pricing for our products across our stores. However, the prices of locally-sourced products may differ between stores primarily as a result of varying logistics and distribution costs of stocking those stores with such products.

In FYE 31 December 2019 and FPE 30 June 2020, the average value of a transaction at our stores was RM22.2 and RM25.2, respectively, and as at 30 June 2020, our stores carried approximately 16,600 SKUs on average per store.

7.6 OUR CUSTOMERS

Our customer base comprises primarily of walk-in retail consumers at our stores. In FYE 31 December 2019 and FPE 30 June 2020, we recorded approximately 8.4 million and 6.8 million transactions per month on average at our stores, respectively. We do not have any material exposure to nor are we dependent on any particular customer.

As a home improvement retailer, we design our stores and product mix to appeal to the general retail consumer population. Our product mix and product pricing are also designed particularly to cater to consumers who are looking for household necessities and consumer staple products and seek products with an attractive price-to-quality offering.

7.7 OUR END SUPPLIERS

Our purchases primarily comprise of product inventory for our stores. For FYE 31 December 2019 and FPE 30 June 2020, all of our products were sourced from end suppliers, comprising manufacturers or distributors, based in China, Malaysia, Thailand and Indonesia, with approximately 72.4% and 26.8% of our products being sourced from end suppliers in China and Malaysia, respectively, in FYE 31 December 2019, and approximately 73.4% and 25.7% of our products being sourced from end suppliers in China and Malaysia, respectively, in FPE 30 June 2020. Our end suppliers are an important part of our ability to achieve our aim to provide a comprehensive range of good quality products at competitive prices to our customers. As at the LPD, we purchase products from more than 800 end suppliers and for each of FYE 31 December 2017 and 2018 and 2019 and FPE 30 June 2020, our largest end supplier accounted for less than 5.0% of our total purchases. As such, we are not dependent on any of our end suppliers as there are a number of alternative suppliers providing similar products.

We purchase our product inventory from overseas end suppliers through trading houses in Malaysia, who help us to manage the supply of products from our overseas end suppliers. As part of our import supply chain process, when the products we import are received by these trading houses, the relevant trading house issues an invoice to us for the imported products. We make payments to these trading houses against their invoices, and the trading houses pass on the applicable portion of these payments to the relevant end suppliers in settlement of the cost of the products we import. Accordingly, we regard the trading houses we engage in Malaysia as our direct suppliers. For further information regarding how we work with trading houses to manage our supply chain process, see Section 7.10.1 of this Prospectus.

7.8 OUR TOP FIVE MAJOR SUPPLIERS

The following table sets out our top five major suppliers, being third party trading houses, in FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020.

Period	Trading house	Length of relationship as at the LPD	Value of purchases (RM millions)	% of our total purchases
FYE 31 December 2017	(i) Win Seng Hung Holding Sdn Bhd[(1)]	Ten years	197.0	24.8
	(ii) Milann Bridge Sdn Bhd	Four years	130.5	16.5
	(iii) Charterwin Trading Sdn Bhd[(2)]	Four years	113.1	14.3
	(iv) Top Point Trading (M) Sdn Bhd[(1)]	Seven years	104.0	13.1
	(v) Forever Success Link Sdn Bhd[(1)]	Seven years	74.4	9.4
FYE 31 December 2018	(i) Win Seng Hung Holding Sdn Bhd[(1)]	Ten years	307.3	25.9
	(ii) Charterwin Trading Sdn Bhd[(2)]	Four years	220.2	18.6
	(iii) Milann Bridge Sdn Bhd	Four years	141.7	12.0
	(iv) Top Point Trading (M) Sdn Bhd[(1)]	Seven years	128.9	10.9
	(v) Alliance Integrity Trading Sdn Bhd[(2)]	Three years	84.0	7.1
FYE 31 December 2019	(i) Alliance Integrity Trading Sdn Bhd[(2)]	Three years	343.7	24.4
	(ii) Charterwin Trading Sdn Bhd[(2)]	Four years	324.8	23.1
	(iii) Win Seng Hung Holding Sdn Bhd[(1)]	Ten years	182.2	12.9
	(iv) Milann Bridge Sdn Bhd	Four years	105.7	7.5
	(v) Top Point Trading (M) Sdn Bhd[(1)]	Seven years	58.2	4.1
FPE 30 June 2020	(i) Alliance Integrity Trading Sdn Bhd[(2)]	Three years	277.3	44.2
	(ii) Charterwin Trading Sdn Bhd[(2)]	Four years	89.3	14.2
	(iii) Win Seng Hung Holding Sdn Bhd[(1)]	Ten years	38.7	6.2
	(iv) Milann Bridge Sdn Bhd	Four years	28.6	4.6
	(v) Top Point Trading (M) Sdn Bhd[(1)]	Seven years	15.3	2.4

Notes:

(1) Top Point Trading (M) Sdn Bhd and Forever Success Link Sdn Bhd are entities that have a common shareholder and a common director and both of them together with Win Seng Hung Holding Sdn Bhd have a common management.

(2) Charterwin Trading Sdn Bhd and Alliance Integrity Trading Sdn Bhd are entities held by a common shareholder.

We are not dependent on any of our major suppliers as there are a number of alternative suppliers providing similar services in Malaysia, which we are able to engage if necessary. Furthermore, as at the LPD, we purchase our products from more than 800 end suppliers and for each of FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020, our largest end supplier accounted for less than 5.0% of our total purchases. For further details, see Section 7.7 of this Prospectus.

7.9 MARKETING AND ADVERTISING

Our marketing strategy is to position the "MR. D.I.Y.", "MR. TOY" and "MR. DOLLAR" brands as convenient and value-for-money stores for home improvement retail and consumer products. Pursuant to the Deeds of Assignment, which are pending registration, we own the Trademarks which we use in our business in Malaysia and Brunei. Additionally, we have obtained from Tan Yu Yeh and Iconic Edge Ltd an exclusive, perpetual and irrevocable licence to use all of the IPRs in Malaysia and Brunei. For details on this licence, see Section 10.1.1(iv) of this Prospectus.

We strive to create strong brand values to associate shopping at our stores with convenience, quality, value and choice. Our marketing and advertising teams plan our marketing and advertising initiatives approximately one year in advance and conduct marketing campaigns on six-month cycles. We run advertisement campaigns nationwide to promote the "MR. D.I.Y.", "MR. TOY" and "MR. DOLLAR" brand names through a variety of advertising channels, including radio commercials, billboard advertisements, social media platforms, print media advertisements, such as newspapers and magazines, and commercial sponsorships. In addition, we advertise using leaflets, flyers, temporary displays and other in-store media, and online web and social media platforms, such as Facebook, to promote our new store launches, product launches and other in-store promotions. We also use our social media platforms, such as Facebook and Instagram, to maintain regular and direct contact with our customers. Our social media platforms also serve as an interactive channel to receive customer feedback or complaints and respond quickly and directly to our customers. We also work with third party advertising agencies to promote our brand and conduct special events and product launches.

Given the mass-retail nature of our business, we also have a comprehensive store-level marketing strategy, including hosting "grand opening" events, strategic placement of directional signage to encourage greater footfall at our stores, and conducting in-store promotions throughout the year to coincide with local festivities and other events, such as the end of school holidays.

Periodically, we, in conjunction with our end suppliers, have promotional offers and organise events and competitions to engage our customers. In FYE 31 December 2019 and FPE 30 June 2020, we spent RM7.8 million and RM3.5 million, respectively, on advertising and promotions. We have received a number of awards and accolades in recognition of the strength of the "MR. D.I.Y." brand and the success of our marketing and advertising initiatives, such the "*Brand Leadership in Retail – Home Improvement 2018 – 2019*" award from the BrandLaureate in 2019 and the "*Winner in Retailer – Home Improvement Category (National Tier)*" in the World Branding Awards in 2018 and 2019.

7.10 SUPPLY CHAIN MANAGEMENT AND DISTRIBUTION NETWORK

Our dedicated product procurement team oversees our product procurement process and identifies suitable products for our stores and end suppliers, comprising manufacturers and distributors. Our team typically conducts visits to certain end suppliers' facilities or otherwise communicates with our end suppliers' on a regular basis to survey their new product offerings and assess the quality of the products. For third party branded products, our procurement team also identifies which products best satisfy our product selection criteria. Once a suitable product and end supplier are identified, our procurement team negotiates the supply arrangements. If several end suppliers are considered suitable for a product, our team selects suitable end suppliers through a tender process and negotiates our supply arrangements with selected end suppliers. This process enables us to ensure that our supply terms are competitive and commercially favourable to us. As at the LPD, we do not have any minimum purchase obligations with any of our end suppliers.

7.10.1 Supply chain process

In FYE 31 December 2018 and 2019 and FPE 30 June 2020, approximately 75.6%, 73.2% and 74.3%, respectively, of our purchases were attributable to products which were imported from outside of Malaysia. We engage third party trading houses in Malaysia to assist with the importation of our products, which includes collecting supplies from overseas ports, receiving supplies at the port in Malaysia, warehousing, and customs handling processes. As the frequency and volume of products we import is substantial, we engage these trading houses in Malaysia to benefit from the experience and knowledge of the trading houses in managing the logistics and customs clearing processes. We import the majority of our products from end suppliers based in China and also engage a China-based freight management service provider, which is affiliated to Tan Yew Teik, a director of all our subsidiaries, to assist with the administrative aspects and logistics of purchasing and exporting the products from China, which includes placing purchase orders and consolidating and storing products that are ordered from end suppliers.

The products we import are shipped to trading houses in Malaysia that we designate to receive the shipment. If an end supplier does not hold an export license, the end supplier delivers the products to a third-party exporter, which then ships the products to the designated trading houses in Malaysia. Where the volume of an order is not sufficient to fill a full shipment container, our orders are aggregated with our other orders by our freight management service provider, which improves the cost efficiency of our shipping and import operations, before being shipped by a third-party exporter to the designated trading houses in Malaysia.

As part of our import supply chain process, when the products we import are received by these trading houses, the relevant trading house issues an invoice to us for the cost of the products ordered from the end supplier, customs duties, SST, the trading house's service fees (the service fee of which is based on a flat rate per shipping container depending on the location where the products are exported from) and the freight management service provider's fees. We make payments to these trading houses in Malaysia against their invoices which are denominated in RM, and the trading houses pass on the applicable portion of these payments to the relevant end suppliers in settlement of the cost of the products we import. We receive the products ordered only after the shipment has cleared customs in Malaysia. Our end suppliers, including our overseas manufacturers, receive their payments from the trading houses we engage in Malaysia either directly or indirectly through the relevant third-party exporter. The trading houses make payments to the overseas end suppliers against their invoices which are denominated in foreign currency. For an illustrative diagram on our import supply chain process, see Section 11.1 of this Prospectus.

Notwithstanding the onset of the COVID-19 pandemic and the measures implemented by governments to contain the spread of the virus, including the MCO, we have not experienced any material disruptions or delays in our supply chain and distribution operations, nor have we experienced any material increases in our supply chain and logistics costs since 1 January 2020 up to the LPD.

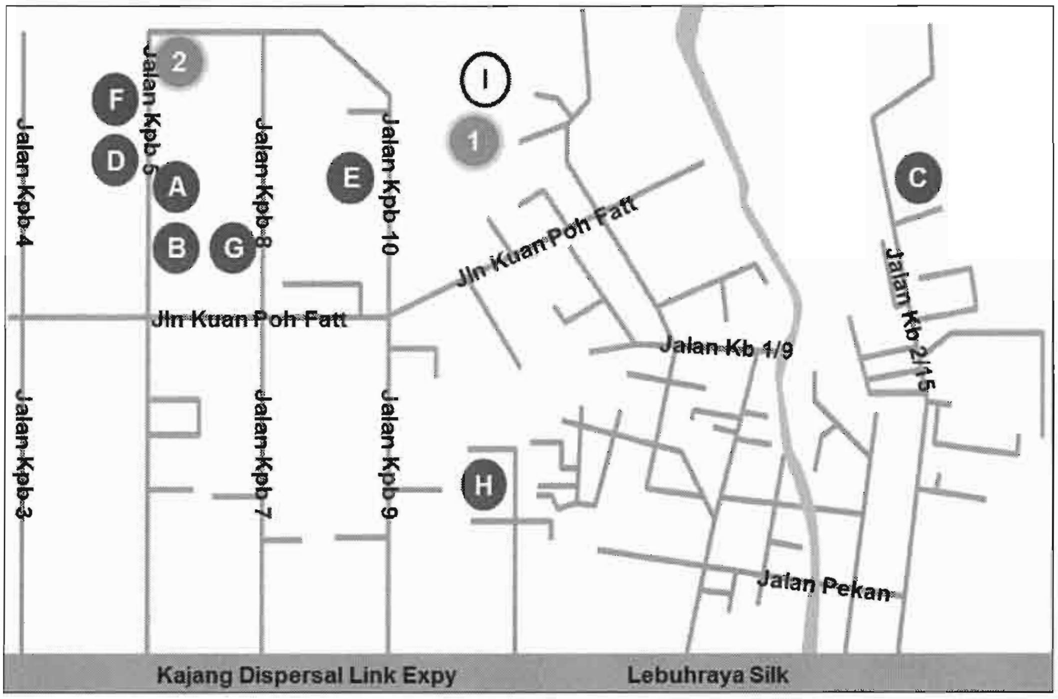
7.10.2 Inventory management and product distribution

Our inventory management and product distribution systems are centrally managed by our team situated at our corporate headquarters and distribution centre situated in Balakong, Seri Kembangan, Selangor, Malaysia. Our central distribution centre, comprising 11 closely proximate facilities situated in Balakong, Seri Kembangan, Selangor, Malaysia and one property situated in Port Klang, Selangor, Malaysia as at the LPD, serves as a base for us to efficiently receive our supply deliveries, record and store inventory, package our products, plan our product distribution routes, house and maintain our fleet of delivery trucks, and dispatch our delivery trucks to our network of stores.

Our centralised inventory management system enables us to ensure that our stores have sufficient stock to meet our customers' demands. The following table sets out certain operational details of the facilities within our distribution centre as at the LPD.

Facility			**Approximate land area (sq. ft.)**	**Approximate gross floor area (sq. ft.)**
A	-	Warehousing and distribution	85,000	66,000
B	-	Warehousing and distribution	86,000	56,000
C	-	Warehousing and distribution	133,000	87,000
D	-	Delivery trucks and employee parking	85,000	—
E	-	E-commerce warehousing and distribution	43,000	18,000
F	-	Warehousing and distribution	73,000	55,000
G	-	Warehousing and distribution of goods shipping outside of Peninsular Malaysia	88,000	49,000
H	-	Corporate offices, warehousing and distribution	74,000	211,000
J	-	Warehousing and distribution	48,000	30,000
K	-	Warehousing and distribution	51,000	39,000
L	-	Warehousing and distribution	50,000	52,000
M	-	Warehousing and distribution	441,000	43,000
Total			**1,257,000**	**706,000**

The following map shows the location of Facility A to Facility H, the plots of land which we purchased to develop Facility I and the two plots of land (Property 1 and Property 2) which we are in the process of purchasing (as described below) in Balakong, Seri Kembangan, Selangor, Malaysia as at the LPD. We also have three other facilities (Facility J, K and L) located within 5 kilometres from Facility A and one facility (Facility M) in Port Klang, Selangor, Malaysia. For further details, see Section 7.15.2(ii) of this Prospectus.



We also lease four storage units with a combined floor area of approximately 40,000 sq. ft. in close proximity to our distribution centre in Balakong. We use these storage units to store inventory, as well as items and products for our own internal use, such as items and products to conduct quality control inspections on goods.

We have purchased two plots of land with a total area of approximately 260,000 sq. ft., on which, subject to our tendering and internal evaluation processes, we intend to develop our first warehousing facility (Facility I) which will use technology-driven operational systems. While our plan to develop Facility I is still at a preliminary stage, as at the LPD, we have completed the clearing of and earthworks on the land for RM2.7 million and have entered into contracts of an aggregate value of RM37.7 million for the design and installation of automation systems for Facility I which is payable in phases based on milestones set out in the relevant contracts. The total cost to complete the development of Facility I has not been determined and will depend on our finalised development plan for the facility. We expect the development of Facility I to be completed in 2023 and we intend to fund its development through internally generated funds, borrowings or a combination of both.

In addition, we have, on 5 August 2020, entered into an agreement to acquire a plot of freehold land together with a warehouse building located in Balakong, Seri Kembangan, Selangor, Malaysia with a total area of approximately 80,300 sq. ft. (Property 2) and, on 14 September 2020, we entered into an agreement to acquire a plot of leasehold land located in Balakong, Seri Kembangan, Selangor, Malaysia with a total area of approximately 85,340 sq. ft. (Property 1). Both plots of land are located in an area proximate to our existing distribution centre in Balakong. We intend to develop both plots of land to expand our warehousing facilities. A summary of the terms of the agreements to acquire Property 1 and Property 2 is set out in Section 14.6.7 and 14.6.8, respectively, of this Prospectus. Due to the preliminary nature of the development plans for Property 1 and Property 2, the development cost and timing for completion has not been determined. We intend to fund the development of Property 1 and Property 2 through internally generated funds, borrowings or a combination of both.

Our distribution centre typically operates 24 hours a day, six days a week to achieve a "three-day turnaround." Within two days from the time our distribution centre receives a supply delivery, our warehousing teams record the inventory and unpack the products for distribution, and get the products ready for distribution to our network of stores. Once packed and ready for delivery, our fleet of delivery trucks are dispatched on the third day to deliver stock to our network of stores across Peninsular Malaysia. Our delivery trucks are typically dispatched for a "same day" turnaround and our distribution teams plan the delivery routes for our trucks daily so as to optimise our resources and logistics costs. All of our delivery trucks typically complete their delivery routes and return to our distribution centre within the same day. We dispatch our products from our distribution centre to our stores in Brunei and East Malaysia through third party freight shipping service providers. Third party freight service providers also distribute our products to certain of our stores in Peninsular Malaysia that are inaccessible to our delivery trucks.

We manage our distribution centre inventory levels through Qube Pos, an inventory management software system provided to us by our associate, Qube. We assess the volume and rate of sales of each of our products at each store from time to time, which when interacting with our inventory management system, allows us to maintain optimal stock levels at each of our stores by monitoring stock levels, replenishing or transferring stock among stores, and mitigating against the loss of stock. Additionally, we also set predetermined inventory levels for each product at our distribution centre based on our assessment of the likely demand for the product. When the stock for a product falls below such a predetermined inventory level, a re-stocking order for the product is automatically generated by our inventory management system. Our inventory management system receives and collates the product orders from our stores daily to generate the distribution routes for our product delivery trucks for the day. These systems allow us to ensure that our stores are well-stocked and are able to meet the demands of our customers.

7.11 QUALITY CONTROL

Our quality management team uses streamlined processes to monitor and receive feedback on product quality. Our quality management team monitors five quality control work streams, namely: (i) products that have been damaged in our stores; (ii) products that have been damaged in transit from our distribution centre to our stores; (iii) products that customers have sought to exchange due to unsatisfactory quality; (iv) products that have been recalled back by us; and (v) products that have been reported as defective. Where possible, we seek to enforce quality control at our distribution centre and each of our stores.

Certain of our products may be subject to product quality assurance standards and certification requirements imposed by applicable law. For example, the Energy Commission of Malaysia, which regulates the safety of electrical equipment, mandates that certain of our products, such as electrical appliances, be affixed with certain labels after the products are verified to be compliant with standards known as 'SIRIM standards'. Compliance of products with the SIRIM standards are evaluated by the Energy Commission of Malaysia by way of compliance checks, either through audits of our stores, the factories in which the products are produced or samples from the products we import. We rely on certain third-party trading houses to obtain the required certification (including certification of compliance with the SIRIM standards) for our products.

We typically provide our customers with a one year warranty for home appliances and a seven day exchange policy for all other products. We do not generally receive any back-to-back warranties from end suppliers for the products that we sell.

7.12 LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS

Save as disclosed in Annexure C and Section 7.26 of this Prospectus, our Group does not have any other licences, patents, trademarks, brand names, technical assistance agreements, franchises and other intellectual properties on which we are dependent.

Although we currently own the trademarks associated with the "MR. D.I.Y." brand including those set out below in relation to our business operations in Malaysia and Brunei, they are currently registered in the name of Tan Yu Yeh and Iconic Edge Ltd, a company wholly-owned and controlled by Tan Yu Yeh, with the Intellectual Property Corporation of Malaysia and the Brunei Intellectual Property Office. Under the Deeds of Assignment executed by Tan Yu Yeh and Iconic Edge Ltd, each as an assignor, and our Company, as assignee, Tan Yu Yeh and Iconic Edge Ltd have agreed to assign to our Company the benefits, rights, title and interests in the Trademarks set out below which we use in our business in Malaysia and Brunei. The Deeds of Assignment assign the ownership of the Trademarks to us. We have made applications to register such assignments with the Intellectual Property Corporation of Malaysia and the Brunei Intellectual Property Office. The timeframe to complete the registration of such assignments in Malaysia and Brunei is uncertain. Upon registration with the Intellectual Property Corporation of Malaysia and the Brunei Intellectual Property Office, our Company will become the registered owner of the Trademarks in Malaysia and Brunei, respectively.

We have also submitted applications to register the trademarks associated with the "MR. D.I.Y.", "MR. TOY" and "MR. DOLLAR" brands set out below in Malaysia and Brunei:

The Deeds of Assignment also assign the ownership of the above trademarks, for which applications are pending, to us.

Additionally, we have obtained from Tan Yu Yeh and Iconic Edge Ltd an exclusive, perpetual and irrevocable licence to use all of the IPRs, which includes intellectual property rights or other proprietary rights under and/or relating to the "MR. D.I.Y.", "MR. TOY" and "MR. DOLLAR" brands and their associated brands, for our business in Malaysia and Brunei. For details on this licence, see Section 10.1.1(v) of this Prospectus.

7.13 COMPETITION

We are the largest home improvement retailer in Malaysia with an estimated market share of 29.1% in 2019 based on our revenue for FYE 31 December 2019. Our primary competitors include other home improvement and value retailers, such as Ace Hardware, One Stop Superstore and Daiso. In addition, while certain of our stores are located within, or adjacent to, the premises of supermarkets and hypermarkets owned and operated by established mass merchandise retailers such as AEON, Tesco and Giant, we also compete with these retailers with respect to certain products. See Section 7.4.1 of this Prospectus for more information on our stores. We also compete with online retail platforms, such as Lazada and Shopee, as well as the merchants on such platforms which offer similar products to our stores. As at LPD, our nearest competitor in Malaysia in the household and furnishing product category was One Stop Superstore, which operated 83 stores compared to our 640 "MR. D.I.Y." stores as at the same date.

We compete with other home improvement retail store operators primarily based on convenience, presentation, product variety, price, customer loyalty, product quality and customer service. We believe that our extensive network of stores located at convenient locations across Malaysia and Brunei will continue to be a key factor in determining the success of our business. Our extensive network of 640 strategically located "MR. D.I.Y." stores in Malaysia, as at the LPD, ensures that we are a convenient and accessible option for consumers looking for the types of products we sell. Additionally, our stores have been operating in Malaysia since 2005, over which time we have successfully built and established the "MR. D.I.Y." brand among consumers in Malaysia, which provides us with a competitive advantage over new entrants and even mature market participants with less established brands.

7.14 AWARDS AND KEY CERTIFICATIONS

The following table sets out information with regards to awards that we have received.

Year	Award	Awarding Body	Description of Award
2015	*WD-40 Retail Category – Achievement Award*	WD-40 Company	Recognition of MR. D.I.Y.'s outstanding performance in developing the business of the WD-40 Company in Malaysia
2015	*Philips Lighting Award – Top 10 Champion*	Philips	Recognition of MR. D.I.Y.'s outstanding performance in developing Philips' lighting business in Malaysia
2016 and 2014	*Anugerah Kedai Harga Patut*	Ministry of Domestic Trade and Consumer Affairs	Recognition of the fair price of everyday essential household items sold at our stores in the state of Negeri Sembilan
2018 and 2019	*World Branding Awards – Retailer – Home Improvement Category (National Tier): Winner*	World Branding Awards	Recognition of the strength of the "MR. D.I.Y." brand in Malaysia
2018	*Outstanding Performance in Year 2017/2018*	Faber Castell Malaysia	Recognition of MR. D.I.Y.'s outstanding performance in developing the Faber Castell business in Malaysia
2019	*Brand Leadership in Retail – Home Improvement 2018 – 2019*	BrandLaureate	Recognition of the strength of the "MR. D.I.Y." brand in Malaysia

7.15 PROPERTIES AND EQUIPMENT

7.15.1 Material properties owned by our Group

The following table sets out the details of the material properties that we own for our inventory management and product distribution, and other material properties of our Group.

No.	Title identification / Property address / Tenure	Description and existing use of property	Category of land use / Express condition	Date of issuance of CF/CCC	Encumbrances	Land area / gross floor area (approximate) (sq. ft.)	NBV as at 30 June 2020 (RM)
	Facility A owned by MDM						
1.	HS(M) 20699 - 20700 PT 56540 - 56541 Town of Ceras, Batu 12, Jalan Sungai Besi-Cheras, District of Hulu Langat, State of Selangor / Lot 1851A and 1851B, Jln KPB 6, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor Freehold	Warehouse and office comprising two adjoining units of individually-designed one and a half storey semi-detached factories	Industry / Light Industry Restriction in Interest This land shall be sold only to Chinese	07.02.2013	(1) Private caveat lodged by CIMB Bank Berhad vide presentation number 3869/2015; (2) Land charge in favour of CIMB Bank Berhad vide presentation number 8231/2015; (3) Land charge in favour of CIMB Islamic Bank Berhad vide presentation number 8068/2018; (4) Land charge in favour of CIMB Islamic Bank Berhad vide presentation number 8069/2018;	85,000 / 66,000	11.0 million

No.	Title identification / Property address / Tenure	Description and existing use of property	Category of land use / Express condition	Date of issuance of CF/CCC	Encumbrances	Land area / gross floor area (approximate) (sq. ft.)	NBV as at 30 June 2020 (RM)
	Facility H, Lot 1907, Kawasan Perindustrian Kg Baru Balakong owned by MDM						
2.	HSM 22403 – HSM 22404, PT 59992 – PT59993, Town of Cheras, Batu 12, Jalan Sungai Besi-Cheras, District of Hulu Langat, State of Selangor / Lot. 1907, Jalan KPB 11, Kawasan Perindustrian Kg. Baru Balakong, 43300 Seri Kembangan, Selangor Freehold	Warehouse and office comprising two adjoining units of semi-detached buildings with basement parking, four storeys of office building and four storeys of the back area allocated for warehousing use.	Industrial / Heavy Industry	3 June 2020	(1) Land charge in favour of CIMB Bank Berhad vide presentation number 6302/2018; (2) Land charge in favour of CIMB Bank Berhad vide presentation number 6303/2018; and (3) Private caveat lodged by CIMB Bank Berhad vide presentation number 4314/2018	74,000 / 211,000	37.8 million
	Vacant Land (reserved for Facility I), Lot 2279, Mukim Ceras, Daerah Hulu Langat, Tempat Batu 13, Jalan Cheras, Selangor owned by MDM						
3.	HSM 22488 – HSM 22489, PT 60162 – PT 60163, Mukim of Ceras, Batu 13, Jalan Cheras, District of Hulu Langat, State of Selangor Lot 2279, Jalan KPB 12B, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor Freehold	Vacant land with earthworks completed	Industrial / Medium Industry	N/A	Nil	260,000 / N/A	42.2 million

7.15.2 Properties rented by our Group

The properties rented by our Group are as follows.

(i) Our stores

As at the LPD, we operate a total of 674 stores of which all are rented, save for one store in Bandar Sri Permaisuri, Kuala Lumpur which we own.

(ii) Material properties rented by our Group

The following table sets out the details of the material properties that we rent for our inventory management and product distribution, and other material properties of our Group.

No.	Postal address	Description / Existing use	Tenure / Expiry date of tenancy	Land area / gross floor area (approximate) (sq. ft.)	Date of issuance of CF/CCC	Rental for FYE 31 December 2020
						(RM)
Facility B (Tenant: MDT)						
1.	Lot No. 25154, Jalan KPB 6, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan.	Warehouse and office facility comprising a standalone building with three storeys of office building and a back area allocated for warehousing use.	01.09.2019 to 31.08.2022	86,000 / 56,000	24.08.2016	816,000
Facility C (Tenant: MDT)						
2.	Lot No. 1027, Jalan KB 2/15, Kampung Baru Balakong, Mukim Cheras, 43200, Balakong, Selangor.	Warehousing and distribution centre comprising two units of adjoining semi-detached buildings with two storeys of office building and the back area allocated for warehousing use.	01.08.2019 to 31.07.2021	133,000 / 87,000	02.08.2018	1,144,758

No.	Postal address	Description / Existing use	Tenure / Expiry date of tenancy	Land area / gross floor area (approximate) (sq. ft.)	Date of issuance of CF/CCC	Rental for FYE 31 December 2020
						(RM)
Facility D (Tenant: MDT)						
3.	Lot 58555, Jalan KPB 6, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.	Vacant land used for container storage and parking area for trucks and vehicles	01.02.2020 to 31.01.2022	85,000 / N/A	N/A	358,800
Facility E (Tenant: MDE)						
4.	Lot 1849-A, Jalan KPB 10, Kampung Baru Balakong, 43200 Seri Kembangan, Selangor.	Warehousing and distribution centre comprising of a standalone building for warehousing use only.	10.02.2018 to 09.02.2021	43,000 / 18,000	17.04.2015	324,000
Facility F (Tenant: MDT)						
5.	Lot 1770, Jalan KPB 6, Kawasan Perindustrian Kampung Baru Balakong, 43300, Mukim Cheras, Daerah Hulu Langat, Selangor.	Warehousing and office comprising two units of adjoining semi-detached buildings with three storeys of office building and the back area allocated for warehousing use.	01.06.2018 to 31.05.2021	73,000 / 55,000	18.04.2019	780,000
Facility G (Tenant: MDT)						
6.	Lot 1858, Jalan KPB 8, Bukit Belimbing, 43300 Balakong, Selangor.	Warehousing and distribution of goods outside of Peninsular Malaysia comprising a standalone building with two storeys of office building and the back areas allocated for warehousing use.	01.09.2018 to 31.08.2021	88,000 / 49,000	05.09.2008	660,000

No.	Postal address	Description / Existing use	Tenure / Expiry date of tenancy	Land area / gross floor area (approximate) (sq. ft.)	Date of issuance of CF/CCC	Rental for FYE 31 December 2020
						(RM)
Facility J (Tenant: MDT)						
7.	Lot 80221, Jalan Persiaran Karunmas, Taman Desa Karunmas, 43300 Seri Kembangan, Selangor	Warehousing and distribution centre comprising of a standalone building for warehousing use only	01.04.2020 to 31.03.2021	48,000 / 30,000	21.06.2019	456,000
Facility K (Tenant: MDT)						
8.	Lot 31, Jalan CJ 1/1, Kawasan Perindustrian Cheras Jaya, 43200 Balakong, Selangor	Warehousing and distribution centre comprising 2 storeys of office building and 1 storey factory area allocated for warehousing use	01.06.2020 to 31.05.2023	51,000 / 39,000	21.01.2010	630,000
Facility L (Tenant: MDT)						
9.	Lot 11A, Jalan 3A, Kawasan Perindustrian Cheras Jaya, Off Jalan Balakong, 43200 Cheras, Selangor	Warehousing and distribution centre comprising a standalone 2 storey building for warehousing use only	01.08.2020 to 31.07.2022	50,000 / 52,000	21.11.1984	600,000
Facility M (Tenant: MDT)						
10.	Lot 6 & 8, Lingkaran Sultan Hishamuddin, Kawasan 20, Bandar Sultan Suleiman, 42000 Port Klang, Selangor	Warehousing and distribution centre comprising a standalone building for warehousing use only	01.05.2020 to 30.04.2022	441,000 / 43,000	26.09.1991	570,240

(iii) Compliance with CCC/CF

As at the LPD, certain of our stores have not been issued with the required CCC/CF or occupation permit and we have not been able to ascertain whether certain of our stores have been issued the required CCC/CF or occupation permit as our landlords have not provided us with a copy of the required CCC/CF or occupation permit. We will continue to work with the landlords to verify the status of CCC/CF or to assist the landlords, to the extent possible, to obtain a copy of the CCC/CF or occupation permit from the relevant authorities.

The affected stores above do not have a material adverse impact on our operations since they represent approximately 2.4% of our total 674 stores and each contributes only approximately 0.2% of our consolidated revenue for FYE 31 December 2019. Furthermore, the simultaneous enforcement on all the affected stores resulting in forced closures of all the affected stores at once is remote and the risk is diversified since the locations of the affected stores are dispersed throughout Malaysia.

Save as disclosed above and in Section 7.28 of this Prospectus, none of the material properties that we own or rent in Sections 7.15.1 and 7.15.2 of this Prospectus are in breach of any of the land use conditions or current applicable laws, rules and building regulations.

7.15.3 Material plant, machinery and equipment

As at the LPD, our Group does not own any material plant, machinery and equipment.

7.16 SEASONALITY

Our stores typically experience higher customer traffic, transaction value and sales during weekends, public holidays, school holidays and festive periods. We typically experience higher monthly revenue in December compared to other months of the year as a result of the holiday season.

7.17 CASH MANAGEMENT POLICY

Our cash management processes include, among other processes, (i) daily checking of transactions against cash banked-in for that day and daily cash-to-transaction reconciliation checks by each store manager and our finance team at our corporate offices, and (ii) monthly detailed checks of sales deposits and bank statements by our finance team, which enable us to ensure that our cash and other funds are handled in an accountable and safe manner. In each of FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020, our cash losses were nominal.

7.18 EMPLOYEES

As at the LPD, we employ a total of 10,162 full-time staff and nine staff on a temporary or contract basis, consisting mostly of part-time and hourly-rated employees. As at the LPD, 1,520, or 15.0%, of our full-time staff were non-Malaysian nationals. The following table sets out our full-time staff by function as at the dates indicated.

Function	As at 31 December 2017	2018	2019	As at 30 June 2020	As at the LPD
Managerial staff	35	40	54	68	70
Administrative and headquarters staff	237	362	414	441	457
Warehousing staff	403	745	760	966	925
Store staff	5,399	6,832	8,242	8,774	8,710
In Malaysia	5,348	6,769	8,191	8,724	8,665
In Brunei	51	63	51	50	45
Total	**6,074**	**7,979**	**9,470**	**10,249**	**10,162**

Our store staff increased by approximately 26.5% from 31 December 2017 to 31 December 2018, approximately 20.6% from 31 December 2018 to 31 December 2019 and approximately 6.5% from 31 December 2019 to 30 June 2020 primarily due to the growth in our network of stores. As at 31 December 2017, 2018 and 2019 and 30 June 2020, we hired six, 24, 18 and 21 temporary staff, respectively, mostly as store staff.

As at the LPD, none of our employees belong to any union nor are they parties to any collective agreements and we have not experienced any strikes or other disruptions due to labour disputes. In addition, our management has had and expects to continue to have good working relationships with our employees.

In July 2020, the Government of Malaysia announced certain restrictions on the hiring of non-Malaysian nationals. For further details, see Section 5.1.10 of this Prospectus.

7.18.1 Employee remuneration and benefits

Our store staff typically receive a base salary and certain performance-based incentives. The base salary for our employees is in accordance with the Malaysian statutory minimum wage of RM1,100 or RM1,200 per month (depending on the city in Malaysia in which the employee is employed), and our employees' compensation increases with their performance, promotion and length of service. Commencing from 1 February 2020, the statutory minimum wage rate in 56 cities within Malaysia, as identified by the Government of Malaysia, is RM1,200 per month and the statutory minimum wage rate in other cities within Malaysia continues to be RM1,100 per month. Our employees also receive incentive-based compensation, which varies depending on their ability to meet our incentive programme criteria, which includes individual performance as well as the performance of our business. For example, the incentives for our store staff are subject to their team meeting sales targets for selected products and for meeting targets for reducing the loss of stock at that store. We also motivate our employees with non-financial awards, such as long-service awards and the awarding of certificates and trophies to recognise outstanding individual performance. Our incentive programmes motivate our employees and serve to achieve a higher employee retention rate and reduce our training and recruitment costs.

Other than our contributions to the Employees' Provident Fund, we do not maintain any retirement, pension or severance plans or have any unfunded pension liabilities, nor do we owe any amounts to any present or former employees that are not in the ordinary course of our business.

7.18.2 Employee training

We recognise the importance of having a strong team of management and operational staff to meet our growth plans. We therefore place emphasis on staff training and development. When our employees commence work with us, they undergo training through our customised employee training programme at our corporate headquarters which is designed to equip our employees with the skills to support our stores and serve our customers. Our employees are subsequently given opportunities to attend further training programmes, including managerial and leadership training programmes. We also have a formal employee functional training programme for each employee staffed in our stores.

7.19 CORPORATE SOCIAL RESPONSIBILITY

We participate regularly in events that support our surrounding community. For example, since 2017, we have supported the University of Malaya in an annual "DIY Made Simple" competition, where our expertise, advice and supplies are used by faculty, staff and students of the university to make repairs to homes and other structures in their communities. In addition, from time to time, we collaborate with our end suppliers' or other business partners in community service initiatives. For example, in 2015, we assisted Tesco with the provision of supplies to aid flood disaster relief efforts in Malaysia. We also assisted flood relief efforts in 2017 in the states of Terengganu and Kelantan through the distribution of boats and other necessities.

In light of the outbreak of the COVID-19 pandemic, we donated face shields and face masks to medical and healthcare institutions, non-profit organisations and other organisations with frontline staff such as the Royal Malaysia Police and city councils. We also donated supplies and equipment such as mineral water, food items, flashlights and batteries to the Royal Malaysia Police and healthcare and quarantine centres.

We continue to believe in giving back to the communities in which we operate. Since 2017, we have invested in community projects by contributing food, household and other items to communities in need. We have also supported orphanages and elderly care facilities with community projects since 2018.

7.20 INSURANCE

We maintain insurance policies to cover a variety of risks that are relevant to our business needs and operations. We maintain property insurance in respect of all our real property and our fixtures and fittings and stock in our distribution centre is also insured. We also maintain public and employer liability insurance and other insurance such as fidelity, money and fire insurance for our operations. These insurance policies have specifications and insured limits that are appropriate in view of our exposure to the risk of loss and liability, the cost of such insurance, applicable regulatory requirements and the prevailing industry practice in Malaysia and Brunei. We also maintain certain insurance policies for our employees, such as a group personal accident insurance for our lorry drivers and attendants, and make contributions to statutory insurance schemes.

We believe the insurance policies and coverage we have subscribed for are adequate for our business and operational needs. We periodically conduct reviews of our insurance coverage.

7.21 RESEARCH AND DEVELOPMENT

We do not conduct any research and development activities and we do not have any research and development policy.

7.22 TECHNOLOGY

We continually invest in digital technology to streamline our distribution centre and store operations and to improve our operating efficiency, profitability and competitiveness. We use software such as Autocount, an accounting software that we have licensed to improve our operating efficiencies and ability to conduct transaction reconciliation. We have also developed and launched our e-commerce website, which utilises third party payment gateway systems to enable our customers to make payments for our products online and to provide a streamlined user experience.

We have a licence to use Qube Pos technology from our associate, Qube, which enables us to automate inventory management and re-stocking processes at our distribution centre. This technology also has integrated POS modules that can result in more effective supply chain and accounting management. Qube Pos technology also integrates with our back-end inventory management system, such that when the stock for a product falls below a predetermined inventory level, a re-stocking order for the product is automatically generated. The use of such technology to monitor our stock levels and automate re-stocking processes allows us to efficiently maintain optimal stock levels and mitigate against damage to, and the loss of, stock.

Since Qube provides us software that automates large aspects of our inventory management and re-stocking processes of our distribution centre, we had in June 2017 invested in Qube by acquiring 30% equity interest for RM1.5 million.

We also have a licence to use endpoint management software from Ivanti, a third-party software provider, which enables us to automate the delivery of software updates to each of the computer terminals in our stores, distribution centre and headquarters.

As part of our business continuity plan, we utilise a third-party IT data recovery service. This service allows us to back up data from our internal servers and systems to local servers and to cloud-based servers operated by the data recovery service provider on a daily basis.

7.23 HEALTH AND SAFETY

We value the health of our employees and place great emphasis on the safety of our employees at our offices, distribution centre and stores. We ensure that new employees are advised of our safety and health policy and we provide them with in-house training.

Each employee is briefed and granted access to our employee handbook, which describes the Company's and the employee's responsibilities for employee health and safety. The employee handbook also contains explanations of procedures to be followed in the event of accidents at the workplace, and informs our employees of their eligibility for statutory compensation in the event of an injury or accident occurring in the course of their employment. We have also established a "safety and health committee", which promotes and takes active steps to create a healthy and safe workplace for our employees.

In light of the COVID-19 pandemic and following the implementation of the MCO, we have implemented various measures to protect the health and safety of our employees and customers. In our warehousing facilities and distribution centre, we have made adjustments to our employees' working hours to enable our employees to avoid commuting to work during peak hours, adopted a roster system to reduce the concentration of employees in our warehousing facilities at any one time, encouraged employees to work from home where practicable and enforce appropriate social distancing measures. We have also set up hand sanitising stations at appropriate locations at our offices, distribution centre and warehousing facilities. In our stores, we have similarly adopted a roster system to reduce the concentration of employees in our stores at any one time and set up hand sanitising stations at appropriate locations in our stores. We have also increased the frequency at which we sanitise and disinfect our stores, including check-out counters, shelves and other high-touch points in our stores.

Our employees at our corporate office, warehousing facilities, distribution centre and stores are also required to wear face masks, record their temperatures daily and immediately seek medical attention if they feel unwell. Our employees are regularly reminded to avoid crowded places, close contact and close conversations with other persons, and regularly wash and sanitise their hands to prevent the spread of COVID-19 infection among our employees. Visitors to our corporate office, distribution centre and warehousing facilities and stores are required to undergo temperature checks and wear face masks and visitors to our corporate office, distribution centre and warehousing facilities are also required to complete appropriate health screening declarations on their health condition.

We continue to strive to be compliant with the health and safety procedures prescribed by the Government of Malaysia to contain the COVID-19 outbreak. We have also adopted a business continuity plan to mitigate any disruption to our operations in the event that any of our employees contract COVID-19.

7.24 SECURITY AND LOSS PREVENTION

Our distribution centre and stores are fitted with closed-circuit television surveillance cameras to record and monitor all activities in these premises. We also engage third party security personnel to maintain security of our distribution centre. Furthermore, we have developed standard operating procedures to minimise the risk of a security breach at our distribution centre, and training is regularly conducted for certain of our staff to help ensure that they are equipped to comply with our security procedures. Our security and loss prevention team also works closely with the authorities in Malaysia to ensure the security of our stores. In FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020, our inventory written off and inventory losses were 0.7%, 1.1%, 1.4% and 1.0% of revenue, respectively.

7.25 BUSINESS INTERRUPTIONS

Save as disclosed in the Prospectus, there has not been any material interruption to our business activities during the past 12 months prior to the date of this Prospectus.

COVID-19 Pandemic

The COVID-19 pandemic has impacted economic activity and financial markets in countries across the world, including Malaysia where substantially all of our operations are based. In response to an increase in the COVID-19 infection rate in Malaysia, the Government of Malaysia implemented the MCO, which took effect from 18 March 2020 and imposed various restrictions on the conduct of activities in Malaysia. During the initial phase of the MCO, which continued until 3 May 2020, such restrictions included (i) a general prohibition on the movement and gathering of people within Malaysia, (ii) a prohibition on the entry into Malaysia by non-Malaysian persons, (iii) restrictions on persons traveling out of Malaysia and (iv) a requirement that all private and public commercial premises be closed unless such premises operate to provide what were deemed to be an "essential service" under the MCO. On 4 May 2020, the Government of Malaysia implemented the CMCO, which involved the relaxing or lifting of various restrictions implemented under the MCO. During the CMCO period, which continued until 9 June 2020, certain restrictions on the movement of persons, including interstate travel, were relaxed, limited gatherings of persons in small groups were permitted and various public and private commercial premises were permitted to operate, subject to compliance with health and safety measures. On 10 June 2020, the Government of Malaysia implemented the RMCO, which further relaxed various restrictions on the movement and gathering of persons, interstate and international travel and the conduct of public and private commercial activity. The Government of Malaysia has announced that the RMCO will remain in effect until 31 December 2020.

In Malaysia, following the implementation of the MCO, we were required to temporarily close all of our stores by 22 March 2020. The following table sets out the number of our stores which were temporarily closed as at the dates indicated.

	As at			
	31 March 2020	**30 April 2020**	**31 May 2020**	**30 June 2020**
Total number of stores	628	628	631	640[(1)]
Number of stores temporarily closed due to the restrictions imposed under the MCO, CMCO and RMCO	623[(2)]	395	0	0

Notes:

(1) Does not include one store in Malaysia that operated up to 29 June 2020 and was permanently closed on 30 June 2020.

(2) The difference in the five stores was due to our four stores in Brunei that remained open and one store in Malaysia that was temporarily closed due to the temporary closure of a mall in which the store was located.

As a result of the mandatory temporary store closures under the MCO, our revenue for the months of March and April 2020 declined to RM118.0 million and RM51.0 million, respectively (based on our unaudited consolidated management accounts for the months of March and April 2020), which was substantially lower than our average monthly revenue of RM189.6 million in FYE 31 December 2019. In accordance with approvals from the relevant local authority which we received in April 2020, we began reopening some of our stores. However, our stores which were permitted to open were only permitted to operate for a limited number of hours each day and/or a limited number of days per week, in accordance with approvals from the relevant local authorities. With the implementation of the CMCO, we were permitted to reopen our stores in Malaysia in accordance with the rules of the CMCO and by 31 May 2020, none of our stores in Malaysia were closed due to the restrictions under the MCO. Following the implementation of the RMCO, certain of the prohibitions and restrictions imposed under the CMCO have been relaxed and/or lifted, allowing us to resume normal operating hours and days of our stores. With the reopening of our stores, our revenue for the months of May and June 2020 increased to RM233.5 million and RM232.1 million, respectively, compared to our revenue in April 2020 of RM51.0 million and our average monthly revenue of RM189.6 million in FYE 31 December 2019. The foregoing financial data is based on our unaudited consolidated management accounts for the months of April, May and June 2020. However, should the COVID-19 pandemic persist or worsen in Malaysia, or if the RMCO restrictions are extended or enhanced, we may not be able to sustain these revenue levels or we may again see a decline in revenues. The following table sets out our revenue for the months indicated in FPE 30 June 2020 based on our unaudited consolidated management accounts.

	FPE 30 June 2020						
	Unaudited						Audited
	January	**February**	**March**	**April**	**May**	**June**	**Total**
	RM'mil	**RM'mil**	**RM'mil**	**RM'mil**	**RM'mil**	**RM'mil**	**RM'mil**
Revenue	226.4	189.7	118.0	51.0	233.5	232.1	1,050.7

The financial information for the months in FPE 30 June 2020 presented above is derived from our unaudited consolidated management accounts, which have not been reviewed, confirmed or audited by our auditors or reporting accountants, and our results presented by such unaudited financial information therefore remain subject to change and may differ from our actual results had such financial information been audited or reviewed.

As at the LPD, the COVID-19 pandemic has not resulted in any material disruptions to our operations in Brunei and we have not been required to temporarily cease the operations of any of our stores in Brunei as a result of the COVID-19 pandemic. Our revenue from our stores in Brunei increased from RM10.1 million in FPE 30 June 2019 to RM10.8 million in FPE 30 June 2020.

The full impact of the COVID-19 pandemic on our business, financial condition, results of operations and prospects will depend on a number of factors beyond our control and which are difficult to ascertain with certainty, such as the length of time that the COVID-19 pandemic and the MCO will persist, as well as any future developments or restrictions as a result of the pandemic, and the nature and effectiveness of governmental and public actions taken in response to COVID-19.

7.26 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS, AGREEMENTS AND OTHER ARRANGEMENTS

Our Group's operation of stores in Malaysia and Brunei are materially dependent on the Deeds of Assignment executed by Tan Yu Yeh and Iconic Edge Ltd, each as an assignor, and our Company, as assignee, under which Tan Yu Yeh and Iconic Edge Ltd have agreed to assign to our Company the benefits, rights, title and interests in the Trademarks which we use in our business in Malaysia and Brunei. We have made applications to register such assignments with the Intellectual Property Corporation of Malaysia and the Brunei Intellectual Property Office for our business operations in Malaysia and Brunei, respectively. Barring any unforeseen circumstances, the timeframe to complete the process of registering the assignments of the Trademarks in Malaysia and Brunei to us is estimated to be up to 18 months. For further details, see Section 5.1.1(c) of this Prospectus. Upon registration, our Company will become the registered owner of the Trademarks in Malaysia and Brunei. Prior to the completion of such registration, we continue to depend on the benefits, rights, title and interests in the Trademarks, granted to us by Tan Yu Yeh and Iconic Edge Ltd under the Deeds of Assignment to use the Trademarks.

The Deeds of Assignment are for nominal consideration of RM1. The assignments of the Trademarks, under the Deeds of Assignment, are assignments with goodwill of the business concerned in the goods/services for which the Trademarks shall be registered.

7.27 GOVERNING LAWS AND REGULATIONS

Our business is regulated by, and in some instances required to be licensed under specific laws of Malaysia. The relevant laws and regulations governing our Group which do not purport to be an exhaustive description of all laws and regulations of which our business is subject to are summarised below. Non-compliance with the relevant laws and regulations below may result in monetary and/or custodial penalties and/or any other orders being made.

7.27.1 Governing laws and regulations relating to the industry

(i) Consumer Protection Act 1999

The Consumer Protection Act 1999 ("**CPA**") governs the protection of consumers. Under the Consumer Protection (Safety Standards for Primary Batteries) Regulations 2013 and Consumer Protection (Safety Standards For Toys) Regulations 2009, which were issued pursuant to the CPA, non-rechargeable batteries and toys must adhere to the prescribed safety standards.

Any supplier or importer of such goods has to ensure that the goods have been tested by an accredited laboratory and is in compliance with the prescribed safety standards and shall affix onto such goods the conformity mark in accordance with the Consumer Protection (Certificate of Conformance and Conformity Mark and Safety Standards) Regulations 2010 issued pursuant to the CPA.

The Consumer Protection Regulations (Electronic Trade Transactions) 2012 issued pursuant to the CPA, prescribes that any person operating a business through a website or marketplace must make certain minimum disclosures which include the name of the business operator, registration number of the business or company, email address and telephone number, or the address of the business operator, a description of the main characteristics of the goods or services, the full price of the goods or services including transportation costs, taxes and other costs, the method of payment, the terms and conditions and the estimated time of delivery.

(ii) Control of Supplies Act 1961

The Control of Supplies Act 1961 ("**CSA**") is enforced by the Ministry of Domestic Trade and Consumer Affairs, Malaysia ("**MDTCA**") and it provides for the control and rationing of supplies in Malaysia. Under the Control of Supplies (Controlled Articles) Order 2009 which was issued pursuant to the CSA, face masks (surgical/medical) 1-3 plys and N95 are controlled articles whereby the dealing in such controlled articles in the wholesale or retail is subject to the provisions of the CSA.

(iii) Price Control and Anti-Profiteering Act 2011

The Price Control and Anti-Profiteering Act 2011 ("**PCAPA**") empowers the MDTCA to determine the maximum, minimum or fixed price for the manufacturing, producing, wholesaling or retaining of goods.

Any person who sells or offers to sell any price-controlled goods not in accordance with the prices determined by the MDTCA commits an offence under the PCAPA.

Any person who, in the course of trade of business who makes an unreasonably high profit in selling or offering to sell or supplying or offering to supply goods also commits an offence under the PCAPA. The mechanism to determine whether profit is unreasonably high is determined by the MDTCA.

(iv) Sale of Drugs Act 1952 and Control of Drugs and Cosmetics Regulations 1984

Cosmetic products in Malaysia are regulated under the Control of Drugs and Cosmetics Regulations 1984 which was issued pursuant to the Sale of Drugs Act 1952, and stipulates that no person shall manufacture, sell, supply, import, possess or administer any cosmetic unless it has been notified to the Director of Pharmaceutical Services.

(v) Weight and Measures Act 1972

Weight and measuring instruments are regulated under the Weight and Measures Act 1972 ("**WMA**"). The WMA provides that no person shall make or repair for gain or sell or attempt to sell or expose for sale any weight or measure instrument for weighing or measuring without a license issued by the MDTCA.

(vi) Electricity Supply Act 1990 and the Electricity Regulations 1994

Importers, manufacturers, exhibitors, sellers and advertisers of electrical equipment are required to apply for a certificate of approval from the Energy Commission of Malaysia pursuant to the Electricity Regulations 1994, which was issued pursuant to the Electricity Supply Act 1990.

All regulated electrical equipment approved by the Energy Commission of Malaysia must be labelled or marked in accordance with the Electricity Regulations 1994.

The potential penalty for not complying with the Energy Commission of Malaysia's requirement to obtain a certificate of approval, in addition to its power to seize, remove, or prohibit the manufacturer, import, display, advertisement or sale of the regulated electrical equipment, is a fine not exceeding RM5,000 and/or imprisonment not exceeding one year under the Electricity Regulations Act 1994 and/or in respect of non-compliance with codes, guidelines, or directions of the Energy Commission of Malaysia, a maximum RM200,000 fine and/or imprisonment for a term of not exceeding two years pursuant to the Electricity Supply Act 1990, which also provides for stricter penalties of RM1 million and/or imprisonment for term of not exceeding ten years, only in the event where the equipment is determined to be likely to cause injury.

(vii) Trade Description Act 2011

The Trade Description Act 2011 is enforced by the MDTCA and provides protection for traders and consumers from unhealthy trade practices.

The act aims to facilitate good trade practices and protect the interest of consumers by eliminating false trade descriptions and false or misleading statements, conducts and practices in relation to the supply of goods and services.

(viii) Occupational Safety and Health Act 1994

Under the Occupational Safety and Health Act 1994 ("**OSHA**"), we have a general duty to our employees to provide and maintain the plants and systems of work that are, so far as is practicable, safe and without risks to health, provide information, instruction, training and supervision to ensure, in so far as is practicable, the safety and health of our employees at work, and to provide a working environment, which is as far as possible safe, without risks to health, and adequate as regards to facilities for their welfare at work. We also have a duty to ensure, in so far as is practicable, that other persons, not being our employees, who may be affected, are not exposed to risks to their safety or health.

(ix) Personal Data Protection Act 2010

The Personal Data Protection Act 2010 ("**PDPA**") governs the laws on processing personal data in commercial transactions to protect personal data of common interest and to ensure information security, network reliability and integrity. Any person or body corporate involved in the processing of personal data by a data user must comply with the Personal Data Protection Principles set by the PDPA.

(x) Communications and Multimedia Act 1998

The Communications and Multimedia Act 1998 ("**CMA**") provides for the powers and functions of the MCMC to regulate the converging communications and multimedia industries in Malaysia. Under the Communications and Multimedia (Technical Standards) Regulations 2000 ("**CMTS**") which are issued pursuant to the CMA, certification is required where any person who uses, offers for sale, sells or has in his possession with a view to sell, any communications equipment.

All communications equipment that are certified by the MCMC or a registered certifying agency must bear the certification mark or label as prescribed in the CMTS. Unless expressly stated otherwise, the general penalty for an offence committed under the CMTS in respect of failure to certify communications equipment is a fine of not exceeding RM100,000 and/or imprisonment of not exceeding six months; and/or the penalty in the event that the communications equipment does not comply with applicable standards under the CMA, is a fine of not exceeding RM100,000 and/or imprisonment not exceeding two years.

7.27.2 Other relevant Malaysian legislation

(i) Employment Act 1955, Labour Ordinance 1958 of Sarawak and Labour Ordinance 1950 of Sabah

The Employment Act 1955 governs the law on the employment contracts entered into between employer and employee in Peninsular Malaysia and the Federal Territory of Labuan, Malaysia while the Labour Ordinance 1958 and Labour Ordinance 1950 governs the labour laws in Sarawak and Sabah respectively. Our Group employs a large number of workers in management as well as at operational level. Our Group also employs a significant number of foreign nationals to maintain an efficient operation. As such, the Employment Act 1955, Labour Ordinance 1958 of Sarawak and Labour Ordinance 1950 of Sabah are important as they stipulate the laws on foreign nationals.

(ii) Sales Tax Act 2018

Sales tax administered in Malaysia is a single-stage tax charged and levied on locally manufactured taxable goods at the manufacturer's level and as such is often referred to as manufacturers' tax. The tax is also imposed on taxable goods imported to Malaysia at the point of entry. In the case of locally manufactured goods, sales tax is charged and levied when such goods are sold or disposed of by the manufacturers. Taxable goods are goods of a class or kind not for the time being exempted from sales tax. General rule is tax is levied on imported and locally manufactured goods (except those exempted by the Ministry of Finance, Malaysia).

As our Group imports goods into Malaysia, our Group is bound by the provisions of the Sales Tax Act 2018.

(iii) Street, Drainage and Building Act 1974

The SDBA is enforced by the local authorities of Peninsular Malaysia and it provides for the requirement of having a CCC or CF for the occupation of any building or any part thereof.

Under the Uniform Building By-Laws 1984 ("**UBBL**") which was issued pursuant to the SDBA, a CCC will only be issued by the local authority upon receipt of certification in relevant forms by a qualified person i.e. an architect, registered building draughtsman or engineer.

A qualified person must be satisfied that, to their best knowledge: (i) the relevant building has been constructed in accordance to UBBL; (ii) any conditions imposed by the local authority have been satisfied; (iii) all essential services have been provided; and (iv) responsibilities have been accepted for the portions that are being concerned with.

A person who occupies a premise without a CCC or CF is subject to a fine of up to RM250,000, imprisonment for a term of up to ten years, or both, under the SDBA.

(iv) Local Government Act 1976, Local Authorities Ordinance 1996 and Businesses, Professions and Trades Licensing Ordinance 1958 of Sarawak, and Local Government Ordinance 1961 of Sabah and Trades Licensing Ordinance 1949 of Sabah

Under the Local Government Act 1976, the Local Authorities Ordinance 1996 and Businesses, Professions and Trades Licensing Ordinance 1958 in Sarawak, the Trades Licensing Ordinance 1949 in Sabah, and the by-laws of the respective local councils and authorities, our stores are required to have business and signboard/advertising licences, display the licences at the store premises, and produce the licences upon request.

Pursuant to the Local Government Act 1976, any person who fails to exhibit or produce his licences on the premises shall be liable to a fine not exceeding RM500 or imprisonment for a term not exceeding six months or both. A similar penalty provision can also be found in the Local Authorities Ordinance 1996 of Sarawak save for the exception that in Sarawak, an absolute fine of RM2,000 will be imposed on those who are found guilty of such offence. In Sarawak, the Business Professions & Trade Licensing Ordinance 1958 imposes an absolute fine of RM1,000 on persons who carry on any business without a valid business licence and The Local Authorities (Advertisements) By-Laws 2012 provides for a fine of not more than RM5,000 and imprisonment of not more than 6 months for not having a signboard licence. In Sabah, the Trades Licensing Ordinance 1949 imposes on such persons, a fine of four times the amount of the licence fee and a further fine of RM10 for each day or part of a day during the period in which the contravention continues.

(v) National Land Code 1965

The National Land Code 1965 governs land matters within Peninsular Malaysia, where our material properties are situated. Pursuant to the National Land Code 1965, the state authority may alienate land subject to such express conditions and restrictions in interest which shall be determined by the state authority at the time when the land is approved for alienation and every condition or restriction in interest imposed under this section shall be endorsed on or referred to in the document of title to the land.

(vi) Fire Services Act 1988

The Fire Services Act 1988 ("**FSA**") provides for the effective and efficient functioning of the Fire and Rescue Department of Malaysia, for the protection of persons and property from fire risks or emergencies. The FSA provides, amongst other matters, that a fire certificate be issued only after the designated premises have been inspected and the Fire and Rescue Department of Malaysia is satisfied that there are adequate facilities for life safety, fire prevention, fire protection and fire-fighting.

Where there is no fire certificate in force, the owners of such premises may become subject to a fine of up to RM50,000 and/or imprisonment of up to five years (or both) and such owners may also be required to cease the use of such premises, including by any tenants of such premises.

7.28 MAJOR LICENCES, PERMITS AND APPROVALS

We are required to obtain business and signboard licences for each of our stores and warehouses in Malaysia and signboard approval only in Brunei prior to commencing operations for each of our stores and warehouses. The business licence is a licence granted to the store or warehouse facility to undertake business operations within the premises whereas the signboard licence is granted to enable the store or warehouse facility to display its signboard and advertisements on the premises.

As at the LPD and as detailed in Section 5.1.13 of this Prospectus, 112 of our stores and certain of our warehouses do not have a business licence and/or signboard licence. Such stores have not been issued with the licences due to delays in either licence renewal or the application for new licences. Business licences and signboard licences are subject to examinations or verification by relevant authorities and are valid only for a fixed period of time and subject to renewal. We anticipate a timeframe between 12 and 24 months from the date of this Prospectus to obtain the business licences and signboard licences for our stores.

Our Group has already applied for the outstanding licences mentioned above and the process is ongoing with the relevant authorities.

We are also required to obtain fire certificates for our warehouse facilities. As at the LPD, our warehouses have not been issued with fire certificates. An application for a fire certificate must be accompanied with an approved fire system plan. As at the date of this Prospectus, three applications for a fire certificate, which includes one application for a fire certificate after obtaining approval for the fire system plan, and three applications seeking approval for the fire system plans have been made to the Fire and Rescue Department of Malaysia. An application seeking approval for the fire system plan of one other warehousing facility can only be made once issues relating to the non-compliance of its roof structure with the relevant authorities is resolved and the applications for the remaining four warehouses are in preparation stage since they are new leases.

Our Board endeavours to obtain the licences and fire certificates for the warehouses by December 2022. In respect of the remaining warehouse, Facility G, the Board anticipates a timeframe of up to 24 months from the date of this Prospectus to obtain the licences and fire certificate, subject to resolving the issues relating to its non-compliant roof structure. Facility G only represents about 6.9% of our total warehouse floor space and in the event that the licences and fire certificate cannot be obtained, we can utilise our 211,000 sq. ft. warehouse facility (Facility H) which commenced operations in July 2020 or rent warehouses within the vicinity.

The total estimated costs to obtain the licences/certificates or to rectify the non-compliances described above is approximately RM11.0 million, of which a total of approximately RM2.0 million has already been incurred up to the LPD.

The total number of affected stores with outstanding licences is not expected to have a material adverse effect on our operations as each store only represents on average 0.1% of our Group's revenue for FYE 31 December 2019 and the simultaneous enforcement on all the affected stores resulting in forced closures of all the affected stores is expected to be remote and the risk diversified since the locations of the affected stores are dispersed throughout Malaysia. In respect of the warehouses and storage units which do not currently have licences and/or fire certificates, we do not foresee a material adverse effect on our operations as the process of applying for the licences and fire certificates is ongoing and we are engaging with the respective authorities to obtain the licences and fire certificates.

We will continue to update our shareholders on the status of our efforts to remedy the abovementioned non-compliances through our annual reports.