

All terms and abbreviations used herein shall have the same meanings as those defined in the “Definitions” section of this AP, unless stated otherwise.

No securities will be allotted or issued based on this AP after 6 months from the date of this AP.

THIS AP IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS AP. IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. If you have sold or transferred all your Shares in our Company, you should immediately hand this AP together with the NPA and RSF (collectively referred to as “Documents”) to the purchaser or transferee or agent/broker through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee. You should address all enquiries concerning the Rights Issue to our Share Registrar, Securities Services (Holdings) Sdn Bhd, at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur (Tel. No.: +603-2084 9000).

This AP has been registered by the SC. The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this AP. The SC has not, in any way, considered the merits of the Rights Issue. A copy this AP, together with the NPA and RSF, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

The approval from our shareholders for the Rights Issue was obtained at our extraordinary general meeting held on 6 July 2023. Bursa Securities had, vide its letter dated 23 February 2023, approved the admission of the Warrants C to the Official List of the Main Market of Bursa Securities and the listing and quotation for the Rights Shares, Warrants C and the new Shares to be issued pursuant to the exercise of Warrants C on the Main Market of Bursa Securities. However, this shall not be taken as an indication of the merits of the Rights Issue. The admission of the Warrants C to the Official List and the listing and quotation for the Rights Shares and Warrants C will commence after, amongst others, the receipt of confirmation from Bursa Depository that all the CDS Accounts of our successful Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have been duly credited with the relevant Rights Shares with Warrants C allotted to them and notices of allotment have been despatched or sent to them.

The Documents are only despatched to our Entitled Shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on 9 November 2023 at their registered addresses in Malaysia or who have provided our Share Registrar with their Malaysian address in writing by 5.00 p.m. on 9 November 2023. The Documents are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue or the Documents complies with the laws of any countries or jurisdictions other than the laws of Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue in any jurisdiction other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia to consult their legal and/or other professional adviser as to whether the acceptance and/or sale/renunciation (as the case may be) of their entitlements to the Rights Issue or application for excess Rights Shares with Warrants C would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) should note the additional terms and restrictions as set out in Section 9 of this AP. Neither our Company, TA Securities nor any other professional adviser in relation to the Rights Issue shall accept any responsibility or liability whatsoever to any party in the event that any acceptance and/or sale/renunciation (as the case may be) made by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are residents.

The SC is not liable for any non-disclosure on our part and takes no responsibility for the contents of this AP, 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 AP.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO “RISK FACTORS” AS SET OUT IN SECTION 5 OF THIS AP.



DPS RESOURCES BERHAD
(Registration No. 200301028458 (630878-X))
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 89,958,521 NEW ORDINARY SHARES IN DPS RESOURCES BERHAD (“SHARES”) (“RIGHTS SHARES”) ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 2 SHARES HELD AS AT 5.00 P.M. ON 9 NOVEMBER 2023 AT AN ISSUE PRICE OF RM0.55 PER RIGHTS SHARE, TOGETHER WITH UP TO 71,966,816 FREE DETACHABLE WARRANTS C (“WARRANTS C”) ON THE BASIS OF 4 WARRANTS C FOR EVERY 5 RIGHTS SHARES SUBSCRIBED FOR (“RIGHTS ISSUE”)

Principal Adviser

TA SECURITIES

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD
(Registration No.: 197301001467 (14948-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME

Entitlement Date	: Thursday, 9 November 2023 at 5.00 p.m.
Last day, date and time for:	
Sale of provisional allotments of rights	: Friday, 17 November 2023 at 5.00 p.m.
Transfer of provisional allotments of rights	: Tuesday, 21 November 2023 at 4.30 p.m.
Acceptance and payment	: Monday, 27 November 2023 at 5.00 p.m.
Excess application and payment	: Monday, 27 November 2023 at 5.00 p.m.

This AP is dated 9 November 2023

All terms and abbreviations used herein shall have the same meanings as those defined in the “Definitions” section of this AP, unless stated otherwise.

OUR DIRECTORS HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE IS NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS AP FALSE OR MISLEADING.

TA SECURITIES, BEING THE PRINCIPAL ADVISER FOR THE RIGHTS ISSUE, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS AP CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE AND YOUR INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS AP THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION, OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS AP OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE, FOR WHICH ANY PERSON SETS OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THIS AP, NPA AND RSF (COLLECTIVELY, THE “DOCUMENTS”) IS SUBJECT TO THE LAWS OF MALAYSIA. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS AND TO OBSERVE THEM.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

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DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this AP and the accompanying appendices:

“3M FPE”	:	3-month period ended 30 June
“5D-VWAP”	:	5-day VWAP
“Act”	:	Companies Act, 2016
“Additional Warrant B”	:	Additional Warrant B to be issued pursuant to the Adjustments, if any
“Adjustments”	:	Adjustments to the exercise price and number of outstanding Warrants B pursuant to the Share Consolidation and the Rights Issue, if any
“Announcements”	:	The announcements in relation to the Corporate Exercises dated 28 October 2022 and 27 December 2022
“AP”	:	This Abridged Prospectus issued by our Company dated 9 November 2023
“ATM”	:	Automated teller machine
“Authorised Nominee”	:	A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
“BDOCC” or “Independent Adviser”	:	BDO Capital Consultants Sdn Bhd
“BESB”	:	Biotrend Estate Sdn Bhd
“Biotrend”	:	Biotrend Asia (M) Sdn Bhd (a wholly-owned subsidiary of our Company)
“BNM”	:	Bank Negara Malaysia
“Board”	:	Board of Directors of our Company
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“By-Laws”	:	The by-laws governing the Proposed ESOS
“CDS”	:	Central Depository System
“CDS Account”	:	The securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits and dealing in securities by the depositor
“Circular”	:	The circular to our shareholders dated 14 June 2023 in relation to the Corporate Exercises
“Circular LPD”	:	15 May 2023, being the latest practicable date prior to the printing of the Circular
“Closing Date”	:	Monday, 27 November 2023 at 5.00 p.m., being the last day, date and time for the acceptance of and payment for the Provisional Allotments as well as application and payment for the excess Rights Shares with Warrants C
“CMSA”	:	Capital Markets and Services Act, 2007
“Code”	:	Malaysian Code on Take-overs and Mergers 2016
“Corporate Exercises”	:	Share Consolidation, Rights Issue, Exemption I, Proposed ESOS and Exemption II, collectively
“COVID-19”	:	Coronavirus disease 2019
“Deed Poll B”	:	Deed poll dated 9 December 2014 constituting the Warrants B and supplemented by a deed poll dated 29 August 2022
“Deed Poll C”	:	The deed poll dated 24 October 2023 constituting the Warrants C
“Director”	:	A natural person who holds a directorship in a company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and subsection 2(1) of the CMSA

DEFINITIONS (CONT'D)

“DPS” or “Company”	:	DPS Resources Berhad
“DPS Group” or “Group”	:	Our Company and our subsidiaries, collectively
“DPS Share” or “Share”	:	Ordinary share in our Company
“Edmund”	:	Edmund Sow Yong Ming, son of TSSCC and PSCKG
“Edward”	:	Edward Sow Yuen Seng, son of TSSCC and PSCKG
“EGM”	:	Extraordinary general meeting of our Company held on 6 July 2023 in relation to the Corporate Exercises
“Electronic Application”	:	Electronic application for the subscription of Provisional Allotments and Excess Applications via ATM and Participating Financial Institutions as set out in Section 9 of this AP
“Emily”	:	Emily Sow Mei Chet, daughter of TSSCC and PSCKG
“Entitled Shareholder”	:	Our shareholder whose name appears in our Company’s Record of Depositors on the Entitlement Date
“Entitlement Date”	:	Thursday, 9 November 2023 at 5.00 p.m., being the day, date and time on which our shareholders must be registered on the Record of Depositors of our Company in order to be entitled to participate in the Rights Issue
“EPS”	:	Earnings per Share
“Eric”	:	Eric Sow Yong Shing, son of TSSCC and PSCKG
“ESOS”	:	Employee Share Option Scheme
“ESOS Effective Date”	:	The date on which the Proposed ESOS becomes effective in accordance with the By-Laws
“ESOS Option”	:	The right of a Grantee to subscribe for new Shares at the pre-determined exercise price as provided in the By-Laws
“Eugene”	:	Eugene Sow Chuan Sheng, son of TSSCC and PSCKG
“Excess Application”	:	Application for the excess Rights Shares with Warrants C
“Exemptions”	:	Exemption I and Exemption II, collectively
“Exemption I”	:	Exemption under subparagraphs 4.08(1)(b) and 4.08(1)(c) of the Rules to TSSCC and the PACs from the obligation to undertake the Mandatory Offer-Rights Issue
“Exemption II”	:	Exemption under subparagraph 4.08(1)(c) of the Rules to TSSCC and the PACs from the obligation to undertake the Mandatory Offer-ESOS
“Exercise Price C”	:	RM0.55, being the price at which 1 Warrant C is exercisable into 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll C
“Foreign Entitled Shareholder”	:	Entitled Shareholder who has not provided an address in Malaysia for the service of documents to be issued for the purposes of the Rights Issue
“FPE”	:	Financial period ended, as the case may be
“FYE”	:	Financial year ended/ending 31 March, as the case may be
“GDC”	:	Gross development cost
“GDV”	:	Gross development value
“Goldpeace”	:	Goldpeace Corporation Sdn Bhd
“Issue Price”	:	RM0.55, being the issue price for each Rights Share
“Lands”	:	Lands identified as Lot No. 1207, Lot No. 1208 (new Lot No. 3980) and Lot No. 1210, all in the Mukim of Tanjong Minyak, District of Melaka Tengah, State of Melaka held under master titles no. GRN 17344, 17343 and 17345, respectively
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities

DEFINITIONS (CONT'D)

“LPD”	:	11 October 2023, being the latest practicable date prior to the date of this AP
“LTD”	:	23 October 2023, being the last trading day prior to the date of fixing the Issue Price and the Exercise Price C
“Management”	:	Management of our Group
“Mandatory Offer-ESOS”	:	A mandatory offer obligation by TSSCC and the PACs to acquire the remaining Shares and convertible securities of our Company not already held by TSSCC and the PACs upon exercise of ESOS Options by TSSCC and the PACs during a tenure of 5 years from the ESOS Effective Date, pursuant to subparagraphs 4.01(a) and 4.01(b) of the Rules
“Mandatory Offer-Rights Issue”	:	A mandatory offer obligation by TSSCC and the PACs to acquire the remaining Shares and convertible securities of our Company not already held by TSSCC and the PACs upon completion of the Rights Issue and the exercise of Warrants C during its 3 years tenure, pursuant to subparagraphs 4.01(a) and 4.01(b) of the Rules
“Maximum Scenario-Rights Issue”	:	Up to 89,958,521 Rights Shares together with up to 71,966,816 Warrants C, after taking into consideration: <ul style="list-style-type: none"> (i) 141,064,696 Shares in issue (no treasury shares) as at the LPD; (ii) all outstanding 38,852,347 Warrants B are exercised into up to 38,852,347 Shares prior to the Entitlement Date; and (iii) all Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) subscribe in full for their entitlements under the Rights Issue
“Minimum Scenario-Rights Issue”	:	51,090,909 Rights Shares together with 40,872,727 Warrants C, after taking into consideration: <ul style="list-style-type: none"> (i) 141,064,696 Shares in issue (no treasury shares) as at the LPD; (ii) none of the outstanding Warrants B are exercised into new Shares prior to the Entitlement Date; and (iii) the Rights Issue is undertaken based on the Minimum Subscription Level and at the Issue Price
“Minimum Subscription Level”	:	A minimum gross proceeds of RM28.10 million to be raised from the Rights Issue via the Undertakings (<i>refer to Section 2.4 of this AP for further details</i>)
“MOF”	:	Ministry of Finance
“NA”	:	Net assets
“NPA”	:	Notice of Provisional Allotments in relation to the Rights Issue
“NRS”	:	Nominee rights subscription service offered by Bursa Depository, at the request of our Company, to Authorised Nominees for electronic subscription of Rights Shares with Warrants C through Bursa Depository’s existing network facilities with the Authorised Nominees
“Official List”	:	A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities
“PACs”	:	Persons acting in concert with TSSCC pursuant to subsections 216(2) and 216(3) of the CMSA, including PSCKG, Edward, Emily, Eric, Edmund, Eugene and Tay
“Participating Financial Institution”	:	Participating financial institutions for Electronic Applications
“PAT”	:	Profit after taxation
“PBT”	:	Profit before taxation

DEFINITIONS (CONT'D)

“Proposed Acquisition”	:	Proposed acquisition by Summer Starhill Sdn Bhd (a wholly-owned subsidiary of our Company) of 7 parcels of freehold lands held under title nos. GRN 13167, GM 281, GRN 22548, GRN 11399, GRN 53668 and GM 1038, Lot nos. 1, 3, 541 (new lot nos. 2399 and 2400), 1675 (new lot nos. 2402 and 2403), 2396, 2397 and 8442, respectively, all located within Mukim Lendu and Mukim Kelemak, Daerah Alor Gajah, State of Melaka (measuring approximately 253.306 acres) for a total cash purchase consideration of RM45.60 million
“Proposed ESOS”	:	Proposed establishment and implementation of an ESOS of up to 15% of the total number of Shares in issue (excluding treasury shares, if any) for Directors and employees of our Group (excluding dormant subsidiaries, if any) who meet the criteria of eligibility to participate in the Proposed ESOS, in accordance with the provisions of the By-Laws
“Provisional Allotments”	:	Rights Shares with Warrants C provisionally allotted to our Entitled Shareholders pursuant to the Rights Issue
“PSCKG”	:	YBhg. Puan Sri Chu Kim Guek, our Executive Director and major shareholder as well as one of the Undertaking Shareholders
“Record of Depositors”	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
“Rights Issue”	:	Renounceable rights issue of up to 89,958,521 Rights Shares on the basis of 1 Rights Share for every 2 Shares held on the Entitlement Date, together with up to 71,966,816 Warrants C on the basis of 4 Warrants C for every 5 Rights Shares subscribed for
“Rights Shares”	:	Up to 89,958,521 new Shares to be issued pursuant to the Rights Issue
“Rights Shares Entitlement File”	:	An electronic file forwarded by Bursa Depository to an Authorised Nominee who has subscribed for NRS, containing information of such Authorised Nominee’s entitlement under the Rights Issue as at the Entitlement Date
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“RSF”	:	Rights Subscription Form in relation to the Rights Issue
“Rules”	:	Rules on Take-overs, Mergers and Compulsory Acquisitions
“Rules of Bursa Depository”	:	The Rules of Bursa Depository as issued pursuant to the SICDA
“SC”	:	Securities Commission Malaysia
“Shantawood”	:	Shantawood Sdn Bhd (a wholly-owned subsidiary of our Company)
“SICDA”	:	Securities Industry (Central Depositories) Act, 1991
“Share Consolidation”	:	Consolidation of every 5 Shares into 1 Share, which was completed on 26 July 2023
“Share Registrar”	:	Securities Services (Holdings) Sdn Bhd
“SPM”	:	Shantawood Property Management Sdn Bhd (a wholly-owned subsidiary of our Company)
“TA Securities” or “Adviser”	:	TA Securities Holdings Berhad
“Tay”	:	Tay Wee Kee, the spouse of Emily and son-in-law of TSSCC and PSCKG
“TEAP”	:	Theoretical ex-all price
“TSSCC”	:	YBhg. Tan Sri (Dr) Sow Chin Chuan, our Executive Chairman and major shareholder as well as one of the Undertaking Shareholders
“Undertaking Shareholders”	:	TSSCC and PSCKG, collectively

DEFINITIONS (CONT'D)

- “Undertakings” : Collectively,
(i) the unconditional and irrevocable undertaking from TSSCC dated 28 October 2022 and supplemented by a supplemental unconditional and irrevocable undertaking dated 27 December 2022; and
(ii) the unconditional and irrevocable undertaking from PSCKG dated 28 October 2022,
in order to meet the Minimum Subscription Level
- “VWAP” : Volume weighted average market price
- “Warrants B” : 38,852,347 outstanding warrants 2015/2025, constituted by the Deed Poll B, which will expire on 15 January 2025 (*for information, if 15 January 2025 does not fall on a day on which Bursa Securities is open for trading of securities, the expiry date of Warrants B will be the preceding market day*)
- “Warrants C” : Up to 71,966,816 free detachable warrants C to be issued pursuant to the Rights Issue

All references to “we”, “us” “our” and “ourselves” are to our Company, or where the context requires, our Group.

All references to “you” or “your” in this AP are to our Entitled Shareholders and/or, where the context requires otherwise, their renounee(s)/transferee(s) (if applicable).

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this AP shall be reference to Malaysian time, unless otherwise specified.

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- STOCK EXCHANGE LISTING** : Main Market of Bursa Securities

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SUMMARY OF THE RIGHTS ISSUE

THIS SUMMARY OF THE RIGHTS ISSUE ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS AP. IT DOES NOT CONTAIN ALL INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE AP.

Key information	Description																																																										
Issue size and basis of allotment	A renounceable rights issue of up to 89,958,521 Rights Shares on the basis of 1 Rights Share for every 2 Shares held on the Entitlement Date, together with up to 71,966,816 Warrants C on the basis of 4 Warrants C for every 5 Rights Shares subscribed for. Please refer to Section 2 of this AP for further information.																																																										
Issue Price	RM0.55 per Rights Share, payable in full upon acceptance and/or application. It represents a discount of approximately 7.83% to the TEAP of our Share of RM0.5967 each (computed based on the 5D-VWAP of our Share up to and including the LTD of RM0.6388 each). Please refer to Section 2.2(i) of this AP for further information.																																																										
Exercise Price C	RM0.55 per Warrant C. It represents a discount of approximately 7.83% to the TEAP of our Share of RM0.5967 each (computed based on the 5D-VWAP of our Share up to and including the LTD of RM0.6388 each). Each Warrant C entitles the registered holder to subscribe for 1 new Share at any time during the exercise period and at the Exercise Price C (subject to adjustments in accordance with the provisions of the Deed Poll C). The Warrants C will be issued at no cost to our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who successfully subscribed for the Rights Shares. Please refer to Section 2.2(ii) of this AP for further information.																																																										
Minimum Subscription Level and Undertakings	<p>The Rights Issue will be implemented on the Minimum Subscription Level to raise minimum gross proceeds of RM28.10 million, via the Undertakings from TSSCC and PSCKG for a total subscription of 51,090,909 Rights Shares with 40,872,727 Warrants C, details are as follows:</p> <p>Minimum Scenario-Rights Issue</p> <table border="1"> <thead> <tr> <th rowspan="2">Name</th> <th>Under entitlement</th> <th>Under Excess Application</th> <th colspan="3">Total subscription</th> </tr> <tr> <th>No. of Rights Shares</th> <th>No. of Rights Shares</th> <th>No. of Rights Shares</th> <th>No. of Warrants C</th> <th>Funding requirements (RM)</th> </tr> </thead> <tbody> <tr> <td>TSSCC</td> <td>21,671,553</td> <td>28,136,678</td> <td>49,808,230</td> <td>39,846,584</td> <td>27,394,527</td> </tr> <tr> <td>PSCKG</td> <td>1,282,679</td> <td>-</td> <td>1,282,679</td> <td>1,026,143</td> <td>705,473</td> </tr> <tr> <td>Total</td> <td>22,954,232</td> <td>28,136,678</td> <td>51,090,909</td> <td>40,872,727</td> <td>28,100,000</td> </tr> </tbody> </table> <p>Maximum Scenario-Rights Issue</p> <table border="1"> <thead> <tr> <th rowspan="2">Name</th> <th>Under entitlement</th> <th>Under Excess Application</th> <th colspan="3">Total subscription</th> </tr> <tr> <th>No. of Rights Shares</th> <th>No. of Rights Shares</th> <th>No. of Rights Shares</th> <th>No. of Warrants C</th> <th>Funding requirements (RM)</th> </tr> </thead> <tbody> <tr> <td>TSSCC</td> <td>21,671,553</td> <td>-</td> <td>21,671,553</td> <td>17,337,242</td> <td>11,919,354</td> </tr> <tr> <td>PSCKG</td> <td>1,282,679</td> <td>-</td> <td>1,282,679</td> <td>1,026,143</td> <td>705,473</td> </tr> <tr> <td>Total</td> <td>22,954,232</td> <td>-</td> <td>22,954,232</td> <td>18,363,385</td> <td>12,624,827</td> </tr> </tbody> </table> <p>In view of the above, our Company does not procure any underwriting arrangement for the remaining Rights Shares with Warrants C not subscribed for by other Entitled Shareholders and/or their renounee(s) /transferee(s) (if applicable). Please refer to Section 2.4 of this AP for further information.</p>	Name	Under entitlement	Under Excess Application	Total subscription			No. of Rights Shares	No. of Rights Shares	No. of Rights Shares	No. of Warrants C	Funding requirements (RM)	TSSCC	21,671,553	28,136,678	49,808,230	39,846,584	27,394,527	PSCKG	1,282,679	-	1,282,679	1,026,143	705,473	Total	22,954,232	28,136,678	51,090,909	40,872,727	28,100,000	Name	Under entitlement	Under Excess Application	Total subscription			No. of Rights Shares	No. of Rights Shares	No. of Rights Shares	No. of Warrants C	Funding requirements (RM)	TSSCC	21,671,553	-	21,671,553	17,337,242	11,919,354	PSCKG	1,282,679	-	1,282,679	1,026,143	705,473	Total	22,954,232	-	22,954,232	18,363,385	12,624,827
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SUMMARY OF THE RIGHTS ISSUE (CONT'D)

Key information	Description																																		
Utilisation of proceeds	The total gross proceeds to be raised from the Rights Issue will be utilised in the following manners:																																		
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Rationale	<ul style="list-style-type: none"> • Raises up to RM49.48 million (without interest) to fund, amongst other, expansion of our Group's property development business. • Involves issuance of new Shares without diluting existing shareholders' percentage of shareholdings in our Company, assuming all Entitled Shareholders fully subscribe for their respective entitlements. • Provides an opportunity for existing shareholders to increase equity participation in our Company by subscribing to the Rights Shares with Warrants C which are exercisable into new Shares. • Allows us to raise additional funds to, amongst others, fund our Group's development expenditure for property development business and/or future acquisition of landbank as and when Warrants C are exercised. <p>Please refer to Section 4 of this AP for further information.</p>																																		
Risk factors	<p>You should consider the following material risk factors (which may adversely affect our Group's business operations and financial performance) before investing in the Rights Issue:</p> <p>(i) our Group's property development and construction is subject to risk on delay in completion of projects which may increase project costs; ability to identify and acquire landbank with potential development value to sustain our business; and our property rental segment may be affected by a number of factors such as ability to collect rent from our tenants on a timely basis and the fluctuations of rental rates and occupancy rates;</p> <p>(ii) our Group's furniture manufacturing and trading segment is subject to risk on damages to our manufacturing plants, machineries and equipment; fluctuations in the supply and prices of raw materials for furniture manufacturing; absence of long-term agreements with our customers; competition from local and foreign manufacturers and labour market risk;</p> <p>(iii) our Group is subject to risk on loss of key personnel without suitable and timely replacement and risk from the COVID-19 pandemic or occurrence of similar pandemics; and</p> <p>(iv) the Rights Issue is subject to investment risk (fluctuations in the market prices of our Shares and Warrants C) and failure in or delay in completion of the Rights Issue.</p> <p>Please refer to Section 5 of this AP for further information.</p>																																		
Procedures for applications	<p>Acceptance of and payment for the Provisional Allotments and the Excess Applications must be made by way of the RSF enclosed with this AP or by way of Electronic Application in accordance with the terms and conditions contained therein.</p> <p>The last day, date and time for acceptance of and payment for the Provisional Allotments and the application and payment for the Excess Applications is on Monday, 27 November 2023 at 5.00 p.m.. Please refer to Section 9 of this AP for further information.</p>																																		



DPS RESOURCES BERHAD

DPS RESOURCES BERHAD
(Registration No. 200301028458 (630878-X))
(Incorporated in Malaysia)

Registered Office:

Unit No. EL-11-01
Amcorp Business Suite
Menara Melawangi
Pusat Perdagangan Amcorp
No. 18, Jalan Persiaran Barat
46050 Petaling Jaya, Selangor

9 November 2023

Board of Directors

YBhg. Tan Sri (Dr) Sow Chin Chuan (*Executive Chairman*)
Edward Sow Yuen Seng (*Managing Director*)
YBhg. Puan Sri Chu Kim Guek (*Executive Director*)
Emily Sow Mei Chet (*Executive Director*)
Mea Fatt Leong (*Independent Non-Executive Director*)
YBhg. Prof Datuk Dr Raduan Che Rose (*Independent Non-Executive Director*)
Dato' Dr Jalaluddin Bin Harun (*Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir/Madam,

RIGHTS ISSUE

1. INTRODUCTION

On 28 October 2022, TA Securities announced on behalf of our Board that we proposed to undertake the Corporate Exercises. Subsequently on 27 December 2022, TA Securities announced on behalf of our Board on the revisions to the terms of the Rights Issue which involved the termination of the arrangement to fully off-set the advances of RM10.00 million from TSSCC to Shantawood via capitalisation of such advances through Rights Issue entitlements and Excess Application (if required) by TSSCC and the consequential revisions to the utilisation of proceeds from the Rights Issue due to fresh funds to be raised by our Company as well as TSSCC's obligations pursuant to his irrevocable and unconditional undertaking for the Rights Issue.

On 28 October 2022, our Board (save for TSSCC, PSCKG, Edward and Emily who are deemed interested in the Rights Issue and the Exemptions) appointed BDOCC to act as the Independent Adviser to advise our non-interested Directors and non-interested shareholders on the Exemptions.

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Bursa Securities had, vide its letter dated 23 February 2023, approved the following:

- (i) Share Consolidation;
- (ii) admission to the Official List and the listing and quotation of up to 71,966,819 Warrants C on the Main Market of Bursa Securities; and
- (iii) listing and quotation for the following on the Main Market of Bursa Securities:
 - (a) up to 89,958,524 Rights Shares;
 - (b) up to 71,966,819 new Shares to be issued pursuant to the exercise of Warrants C;
 - (c) up to 3,225,533 Additional Warrants B to be issued resulting from the Adjustments and up to 3,225,533 new Shares to be issued pursuant to the exercise of Additional Warrants B; and
 - (d) such number of new Shares, representing up to 15% of the total number of Shares (excluding treasury shares), to be issued pursuant to the exercise of ESOS Options under the Proposed ESOS.

The approval of Bursa Securities for the Share Consolidation, Rights Issue and Proposed ESOS is subject to the following conditions:

No.	Conditions	Status of compliance
(i)	Our Company and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Share Consolidation, Rights Issue and Proposed ESOS;	Complied with for the Share Consolidation. To be complied with for the Rights Issue and Proposed ESOS.
(ii)	TA Securities to inform Bursa Securities upon the completion of the Share Consolidation and Rights Issue;	Complied with for the Share Consolidation. To be complied with for the Rights Issue.
(iii)	TA Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Share Consolidation, Rights Issue and Proposed ESOS are completed;	To be complied.
(iv)	TA Securities to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at the extraordinary general meeting for the Share Consolidation, Rights Issue and Proposed ESOS;	Complied.
(v)	TA Securities is required to make the relevant announcements pursuant to paragraphs 6.56(2)(ii) and (iii) and 13.20(2) of the Listing Requirements pursuant to the Share Consolidation;	Complied.
(vi)	Our Company and TA Securities must observe and ensure full compliance with paragraphs 6.50 and 8.02 of the Listing Requirements at all times;	Complied with paragraph 8.02 of the Listing Requirements for Share Consolidation. To be complied with for the Rights Issue and Proposed ESOS.
(vii)	TA Securities is required to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation;	To be complied.
(viii)	Our Company to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the Proposed ESOS and/or the exercise of Warrants C and Additional Warrants B as at the end of each quarter together with a detailed computation of listing fees payable;	To be complied.

No.	Conditions	Status of compliance
(ix)	Payment of additional listing fees based on the market value of new Shares to be listed, if applicable. In this respect, our Company is required to furnish Bursa Securities a cheque drawn to the order of Bursa Malaysia Securities Berhad for the outstanding listing fee together with a copy of the details of the computation of the amount of fees payable; and	To be complied.
(x)	Our Company and TA Securities are required to provide a written confirmation that the terms of the Warrants C are in compliance with paragraph 6.54(3) of the Listing Requirements.	Complied.

On 6 July 2023, our shareholders had approved the Corporate Exercises.

Bursa Securities had, vide its letter dated 2 August 2023, resolved to grant an extension of time until 22 February 2024 for our Company to complete the Rights Issue and implement the Proposed ESOS.

On 24 August 2023, TA Securities announced on behalf of our Board that the SC had, on the same day, resolved to approved the Exemptions.

On 24 October 2023, TA Securities announced on behalf of our Board that:

- (i) the Entitlement Date has been fixed on 9 November 2023 at 5.00 p.m. together with the other important dates pertaining to the Rights Issue;
- (ii) our Board resolved to fix the issue price of Rights Share at RM0.55 each and the exercise price of Warrant C at RM0.55 each; and
- (iii) our Company had executed the Deed Poll C.

No person is authorised to give any information or to make any representation not contained in this AP in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or TA Securities in connection with the Rights Issue.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS AP WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE

Our Company proposes to issue up to 89,958,521 Rights Shares on the basis of 1 Rights Share for every 2 Shares held on the Entitlement Date, together with up to 71,966,816 Warrants C on the basis of 4 Warrants C for every 5 Rights Shares subscribed by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable).

2.1 Basis and number of Rights Shares with Warrants C to be issued

The basis of 1 Rights Share for every 2 Shares held on the Entitlement Date was arrived at after taking into consideration, amongst others, the following:

- (i) amount of proceeds to be raised as detailed in Section 3 of this AP; and
- (ii) rationale for the Rights Issue as set out in Section 4 of this AP.

The basis of 4 Warrants C for every 5 Rights Shares subscribed for was arrived at after taking into consideration, amongst others, the following:

- (i) rationale for the Rights Issue as set out in Section 4 of this AP; and
- (ii) paragraph 6.50 of the Listing Requirements which states that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities, does not exceed 50% of the total number of issued shares of the listed issuer (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

The actual number of Rights Shares with Warrants C to be issued would depend on the number of Shares in issue on the Entitlement Date and the subscription level of the Rights Issue.

The Warrants C will be immediately detached from the Rights Shares upon issuance. The Warrants C will be separately listed and traded from the Rights Shares on the Main Market of Bursa Securities if we meet the condition under the Listing Requirements of at least 100 Warrant C holders holding not less than 1 board lot of Warrants C (which shall comprise 100 Warrants C). The Warrants C will not be listed if such condition is not met upon the issuance of Warrants C. The Warrants C will be issued in registered form and constituted by the Deed Poll C.

The entitlements for the Rights Shares with Warrants C are renounceable in full or in part. However, the Rights Shares and the Warrants C cannot be renounced separately. If our Entitled Shareholders renounce all of their Rights Shares entitlements, they will not be entitled to any Warrants C. If our Entitled Shareholders accept only part of their Rights Shares entitlements, they will be entitled to the Warrants C in proportion to their acceptances of their Rights Shares entitlements.

In determining our Entitled Shareholders' entitlements to the Rights Shares with Warrants C, any fractional entitlements (if any) will be disregarded and dealt with by our Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of our Company. Any Rights Shares with Warrants C which are not taken up or validly taken up shall be made available for Excess Applications by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable). Our Board intends to reduce the incidence of odd lots and to allocate any excess Rights Shares with Warrants C in a fair and equitable basis as specified under Section 9 of this AP.

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this AP, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for the Provisional Allotments as well as to apply for excess Rights Shares with Warrants C if you choose to do so. However, only Entitled Shareholder who has an address in Malaysia as stated in our Record of Depositors will receive this AP, together with the NPA and RSF.

Any dealing in our securities will be subject to, amongst others, the provisions of the SICDA, Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, Warrants C and new Shares to be issued pursuant to the exercise of Warrants C will be credited directly into the respective CDS Accounts of the successful applicants and exercising Warrants C holders (as the case may be). No physical share certificate and warrant certificate will be issued to the successful applicants. A notice of allotment will be issued and despatched to the successful applicants within 8 market days from the Closing Date or such period as may be prescribed by Bursa Securities. The Rights Shares and Warrants C will then be quoted on the Main Market of Bursa Securities within 2 market days after the application for quotation is made to Bursa Securities as specified in the Listing Requirements.

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2.2 Basis of determining and justification for the Issue Price and the Exercise Price C

(i) Issue Price

Our Board has fixed the issue price of Rights Share at RM0.55 each after taking into consideration, amongst others, the following:

- (a) our Board's intention to fix the Issue Price at a discount range of 0% to 20% to:
 - (aa) the 5D-VWAP of our Share up to and including the LTD; and
 - (bb) TEAP of our Share (computed based on the 5D-VWAP of our Share up to and including the LTD as well as the effect of conversion of Warrants C);
- (b) the funding requirements of our Group under the Minimum Subscription Level for the purposes as set out in Section 3 of this AP; and
- (c) the rationale for the Rights Issue as set out in Section 4 of this AP.

The Issue Price represents a discount of RM0.0888 or approximately 13.90% to the 5D-VWAP of our Share up to and including the LTD of RM0.6388 each (*Source: Bloomberg Finance L.P.*) and a discount of RM0.0467 or approximately 7.83% to the TEAP of our Share.

(ii) Exercise Price C

The Warrants C will be issued at no cost to our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who successfully subscribed for the Rights Shares.

Our Board has fixed the exercise price of Warrant C at RM0.55 each after taking into consideration our Board's intention to fix the Exercise Price C at a discount range of 0% to 20% to:

- (a) 5D-VWAP of our Share up to and including the LTD; and
- (b) TEAP of our Share (computed based on the 5D-VWAP of our Share up to and including the LTD as well as the effect of conversion of Warrants C).

The discount range for the Exercise Price C was determined by our Board after taking into consideration the future prospects of our Group as set out in Section 6.4 of this AP.

The Exercise Price C represents a discount of RM0.0888 or approximately 13.90% to the 5D-VWAP of our Share up to and including the LTD of RM0.6388 each (*Source: Bloomberg Finance L.P.*) and a discount of RM0.0467 or approximately 7.83% to the TEAP of our Share.

Nonetheless, during the tenure of the Warrants C, the Exercise Price C may be adjusted due to the alteration in the capital structure of our Company in the future, whether by way of a rights issue, bonus issue, consolidation or subdivision of Shares or any other variation of capital, in accordance with the provisions of Deed Poll C.

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2.3 Ranking of the Rights Shares and new Shares to be issued arising from the exercise of Warrants C

Based on the Issue Price and Exercise Price C, the Rights Issue will not give rise to the Adjustments in accordance with the provisions of the Deed Poll B. Hence, no Additional Warrants B shall be allotted and issued pursuant to the implementation of the Rights Issue.

The Rights Shares as well as the new Shares to be issued arising from the exercise of Warrants C shall, upon allotment and issuance, rank equally in all respects with our then existing Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distributions, the entitlement date of which is prior to the dates of allotment and issuance of the Rights Shares and the new Shares to be issued arising from the exercise of Warrants C.

The Warrant C holders will not be entitled to any voting rights or participation in any form of distribution and/or offer of further securities in our Company until and unless they exercise their Warrants C into new Shares.

2.4 Minimum Subscription Level and Undertakings

Our Company intends to raise minimum gross proceeds of RM28.10 million from the Rights Issue under the Minimum Subscription Level after taking into consideration, amongst others, the funding requirements of our Group as set out in Section 3 of this AP.

In view of the above, the Minimum Subscription Level will be met via the following Undertakings:

(a) TSSCC that:

- he will not acquire additional Shares and will not dispose of or transfer any of his existing Shares from the date of his undertaking dated 28 October 2022 up to the completion of the Rights Issue;
- he will apply and subscribe in full for his entitlement pursuant to the Rights Issue (based on his shareholdings in our Company as at the Entitlement Date);
- he will apply and subscribe for additional Rights Shares not validly taken up by other Entitled Shareholders and/or their renounee(s)/transferee(s) (if any) by way of excess Rights Shares application, to the extent such that the aggregate subscription proceeds of the Rights Shares to be received by our Company arising from subscription by all Entitled Shareholders (including Undertaking Shareholders and/or their renounee(s)/transferee(s) (if any)) amounts to not less than RM28.10 million; and
- he has sufficient financial means and resources to fulfil his obligations under the Undertakings; and

(b) PSCKG that:

- she will not acquire additional Shares and will not dispose of or transfer any of her existing Shares from the date of her undertaking dated 28 October 2022 up to the completion of the Rights Issue;
- she will apply and subscribe in full of her entitlement pursuant to the Rights Issue (based on her shareholdings in our Company as at the Entitlement Date); and
- she has sufficient financial means and resources to fulfil her obligations under the Undertakings.

The Undertakings from TSSCC and PSCKG demonstrate their commitment and support towards our Company. As at the LPD, the Undertaking Shareholders do not hold any Warrants B.

TA Securities, being the Adviser for the Rights Issue, has verified that the Undertaking Shareholders have sufficient financial resources to fulfil their respective obligations under the Undertakings.

Registration No.: 200301028458 (630878-X)

The details of the Undertakings and summary of shareholdings under the Minimum Subscription Level are as follows:

	Direct shareholding		No. of Rights Shares to be subscribed pursuant to the Undertakings							Direct shareholding			
	As at the LPD		Under entitlement		Under Excess Application		Total subscription			(I) After Minimum Scenario-Rights Issue		(II) After (I) and assuming full exercise of Warrants C	
	No. of Shares	% ⁽¹⁾	No. of Rights Shares	% ⁽²⁾	No. of Rights Shares	% ⁽²⁾	No. of Rights Shares	% ⁽²⁾	Amount (RM)	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽³⁾
Undertaking Shareholders													
TSSCC	43,343,106	30.73	21,671,553	11.28	28,136,678	14.64	49,808,230	25.92	27,394,527	93,151,336	48.48	132,997,920	57.07
PSCKG	2,565,358	1.82	1,282,679	0.67	-	-	1,282,679	0.67	705,473	3,848,037	2.00	4,874,180	2.09
Total*	45,908,464	32.54	22,954,232	11.95	28,136,678	14.64	51,090,909	26.59	28,100,000	96,999,373	50.48	137,872,100	59.17

Notes:

* Subject to rounding adjustment.

(1) Computed based on our Company's issued share capital as at the LPD.

(2) Computed based on our Company's pro forma enlarged share capital of up to 192,155,605 Shares in issue after completion of the Minimum Scenario-Rights Issue.

(3) Computed based on our Company's pro forma enlarged share capital of up to 233,028,332 Shares in issue after completion of the Minimum Scenario-Rights Issue and full exercise of Warrants C.

The number of Rights Shares subject to the Undertakings is determined after considering the availability of financial resources of the Undertaking Shareholders to subscribe for the Rights Shares with Warrants C.

The Minimum Subscription Level of RM28.10 million will be achieved via the Undertakings and hence, our Company does not procure any underwriting arrangement for the remaining Rights Shares not subscribed for by other Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable).

In the event Minimum Subscription Level has been achieved via subscription by other Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) of respective entitlements and any excess Rights Shares with Warrants C, the Undertaking Shareholders will still be obliged to subscribe in full for their Rights Shares entitlements pursuant to the Undertakings.

2.5 Take-over implications

Pursuant to the Undertakings, the Code and the Rules, the subscription of Rights Shares with Warrants C by TSSCC and the PACs as well as the exercise of Warrants C by TSSCC and the PACs will give rise to Mandatory Offer-Rights Issue. Please refer to Part A, Section 2.4.2 of the Circular for further details on the maximum potential shareholdings of TSSCC and the PACs in our Company and the Exemptions. As it is not the intention of TSSCC and the PACs to undertake the Mandatory Offer-Rights Issue, the Exemption I was sought from and approved by our non-interested shareholders, by way of poll, at the EGM held on 6 July 2023. Further, the SC had, vide its letter dated 24 August 2023, approved the Exemption I.

2.6 Public shareholding spread

The Undertakings are not expected to result in non-compliance of the public shareholding spread by our Company pursuant to paragraph 8.02(1) of Listing Requirements. The pro forma public shareholding spread of our Company before and after the Minimum Scenario-Rights Issue and the Proposed ESOS (assuming up to 20,176,000 ESOS Options are granted to TSSCC and the PACs), is illustrated below:

	As at the LPD		(I)		(II)		(III)	
			After Minimum Scenario-Rights Issue		After (I) and exercise of Warrants C by TSSCC and the PACs		After (II) and exercise of ESOS Options by TSSCC and the PACs	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Share capital	141,065	100.00	192,156	100.00	233,028	100.00	253,204	100.00
Less:								
<u>Directors of our Group</u>								
- TSSCC	(43,343)	(30.73)	(93,151)	(48.48)	(132,997)	(57.07)	(135,880)	(53.66)
- PSCKG	(2,565)	(1.82)	(3,848)	(2.00)	(4,874)	(2.09)	(7,756)	(3.06)
- Eric	(42)	(0.03)	(42)	(0.02)	(42)	(0.02)	(2,924)	(1.15)
- Other PACs^	-	-	-	-	-	-	(11,530)	(4.56)
<u>Substantial shareholder</u>								
- Goldpeace	(11,730)	(8.32)	(11,730)	(6.10)	(11,730)	(5.03)	-*	-
<u>Associates of Directors and/or substantial shareholder of our Group</u>								
- Suhaimi bin Harun (a director and a major shareholder of Goldpeace)	(211)	(0.15)	(211)	(0.11)	(211)	(0.09)	-*	-
Public shareholding spread	83,174	58.95	83,174	43.29	83,714	35.70	95,114	37.57

Notes:

^ Based on indicative ESOS allocation to Edward (2,882,000 ESOS Options), Emily (2,882,000 ESOS Options), Edmund (2,882,000 ESOS Options), Eugene (1,442,000 ESOS Options) and Tay (1,442,000 ESOS Options), all of whom are directors of our Group.

* Deemed as public shareholders in view that their collective shareholdings are less than 5.00% based on the enlarged share capital of our Company upon exercise of ESOS Options by TSSCC and the PACs.

As set out above, the pro forma public shareholding spread of our Company would potentially reduce from 58.95% to approximately 43.29% after the completion of Minimum Scenario-Rights Issue and further reduce to 37.57% after exercise of Warrants C as well as ESOS Options by TSSCC and the PACs only.

2.7 Salient terms of the Warrants C

The salient terms of the Warrants C are as follows:

Terms	Details
Issue size	: Up to 71,966,816 Warrants C.
Form and denomination	: The Warrants C will be issued in registered form and are constituted by the Deed Poll C.
Exercise period	: The Warrants C may be exercised at any time during tenure of the Warrants C of 3 years* commencing from and inclusive of the date of the issuance of Warrants C until 5:00 p.m. on the expiry date. Warrants C not exercised during the exercise period will thereafter lapse and cease to be valid.
Exercise Price C	: The exercise price of each Warrant C is RM0.55 (subject to adjustments in accordance with the provisions of the Deed Poll C).
Expiry date	: The day falling immediately before the 3 rd year commencing from and inclusive of the date of the issuance of Warrants C and if such day is not a market day, on the market day immediately preceding such day.
Exercise rights	: Each Warrant C entitles the registered holder to subscribe for 1 new Share at any time during the exercise period and at the exercise price (subject to adjustments in accordance with the provisions of Deed Poll C).
Mode of exercise	: The registered holder of Warrants C is required to lodge an exercise form, as set out in the Deed Poll C, with our Company's share registrar, duly completed and signed together with payment of the exercise price for the new Shares subscribed for via online payment into bank account of our Company maintained with a bank in Malaysia or by banker's draft or cashier's order or money order or postal order in Ringgit Malaysia drawn on a bank or post office operating in Malaysia, in accordance with the provisions of Deed Poll C.
Board lot	: For the purpose of trading on Bursa Securities, 1 board lot of Warrant C shall comprise 100 Warrants C carrying the right to subscribe for 100 new Shares at any time during the exercise period, or such other denomination as determined by Bursa Securities from time to time. The Warrants C would be immediately detached from the Rights Shares upon issuance and shall be listed and traded on the Main Market of Bursa Securities when the Warrants C meet the conditions of the Listing Requirements of at least 100 Warrant C holders holding not less than 1 board lot each and submitting relevant application for the Warrants C to be listed on the Main Market of Bursa Securities. The Warrants C will not be listed in the event this condition is not met upon the issuance of Warrants C.
Adjustments to the exercise price and/or number of Warrants C	: Subject to the provisions in Deed Poll C, the exercise price or the number of Warrants C held by each Warrant C holder or both shall be adjusted by our Board in consultation with the approved adviser and/or the external auditors of our Company and certified by the external auditors of our Company under certain circumstances in accordance with the provisions of Deed Poll C and subject to compliance with Listing Requirements.

Terms		Details
Rights of the Warrant C holders	:	The new Shares arising from the exercise of Warrants C shall, upon allotment and issuance, rank equally with our then existing Shares except that they are not entitled to any dividends, rights, allotments and/or other distributions, where the entitlement date of which is before the date of allotment and issuance of the new Shares upon the exercise of Warrants C. The Warrant C holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in our Company until and unless such Warrant C holders exercise their Warrants C into new Shares.
Modification of rights of Warrant C holders	:	Save as otherwise provided in the Deed Poll C, any modification, amendment, deletion or addition to the Deed Poll C (including the rights of holders of Warrants C, form and content of the warrant certificates to be issued in respect of any Warrants C) may be effected only with a sanction of a special resolution (unless modification, amendment, deletion or addition is required to correct any manifest or typographical errors, related to purely administrative matters, required to comply with prevailing laws or regulations of Malaysia or in the opinion of our Company, will not be materially prejudicial to the interests of Warrant C holders), by a deed to be executed by our Company and expressed to be supplemental to the Deed Poll C and if the requirements of Deed Poll C have been complied with.
Rights in the event of winding-up, liquidation, compromise and/or arrangement	:	<p>If (whilst any Warrants C remain capable of being exercised) a resolution has been passed for a members' voluntary winding-up of our Company or liquidation or where there is a compromise or scheme of arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then:</p> <ul style="list-style-type: none"> (i) our Company shall give notice to the Warrant C holders within 21 market days of such resolution or the court order approving the winding-up, liquidation, compromise or scheme of arrangement (as the case may be); or (ii) for the purposes of such winding-up, liquidation, compromise or scheme of arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrant C holders (or some person designated by them for such purposes by a special resolution) shall be a party, the terms of such winding-up, liquidation, compromise or scheme of arrangement will be binding on all the Warrant C holders; or (iii) in any other case, every Warrant C holder shall be entitled, upon and subject to the conditions, at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of our Company or the granting of the court order approving the winding-up, liquidation, compromise or scheme of arrangement (as the case may be), to exercise his Warrants C by submitting the duly completed exercise form(s) authorising the debiting of his Warrants C, together with the relevant payments and fees for the exercise price, to elect to be treated as if he had immediately prior to the commencement of such winding-up, liquidation, compromise or scheme of arrangement, exercised his Warrants C to the extent specified in the exercise form(s) and be entitled to receive out of the assets of our Company which would be available in liquidation as if he had on such date been the holder of the new Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly.

Terms		Details
		Subject to the foregoing, if our Company is wound-up or an order has been granted for such compromise or scheme of arrangement, all exercise rights attached to Warrants C which have not been exercised within 6 weeks of either the passing of such resolution for the winding-up or the granting of the court order for the approval of such winding-up, liquidation, compromise or scheme of arrangement (as the case may be), shall lapse and all unexercised Warrants C shall cease to be valid for any purpose.
Listing status	:	The Warrants C will be listed and traded on the Main Market of Bursa Securities when the Warrants C meet the conditions of the Listing Requirements of at least 100 Warrant C holders holding not less than 1 board lot each and submitting relevant application for the Warrants C to be listed on the Main Market of Bursa Securities. The Warrants C will not be listed in the event this condition is not met upon the issuance of Warrants C.
Governing law	:	The laws of Malaysia.

Note:

- * The shorter tenure of Warrants C of 3 years as compared to the tenure of Warrants B of 10 years was determined after taking into consideration that a shorter tenure of Warrants C will encourage early exercise of Warrants C by its holders which in turn will allow our Company to raise funds for purposes as set out in Section 3 of this AP within the tenure of Warrants C of 3 years from the date of issuance of the Warrants C.

2.8 Details of other corporate exercises

Save as disclosed below, our Board confirms that there are no other corporate exercises which have been announced by our Company but pending completion as at the LPD:

(i) Details of the Rights Issue and the Exemption I

Pursuant to the Undertakings, the Code and the Rules, the subscription of Rights Shares with Warrants C by TSSCC and the PACs as well as the exercise of Warrants C by TSSCC and the PACs will give rise to Mandatory Offer-Rights Issue. Please refer to Part A, Section 2.4.2 of the Circular for further details on the maximum potential shareholdings of TSSCC and the PACs in our Company and the Exemptions. As it is not the intention of TSSCC and the PACs to undertake the Mandatory Offer-Rights Issue, the Exemption I was sought from and approved by our non-interested shareholders, by way of poll, at the EGM held on 6 July 2023. Further, the SC had, vide its letter dated 24 August 2023, approved the Exemption I.

The Exemption I is valid throughout the tenure of Warrants C, which is 3 years from the date of issuance of Warrants C. The approval from the SC for the Exemption I will be invalidated subsequently if there is disqualifying transactions (as defined under the Rules) by TSSCC and the PACs in relation to the acquisition of our Shares and the exercise of Warrants B (which were not held by TSSCC and the PACs on the Circular LPD) from 29 April 2022 (being 6 months prior to the announcement in relation to the Corporate Exercises on 28 October 2022) until the date on which all ESOS Options have been granted to TSSCC and the PACs;

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(ii) Details of the Proposed ESOS and the Exemption II

The Proposed ESOS involves the establishment and implementation of an ESOS to enable the granting of new Shares to Directors and employees of our Group (excluding dormant subsidiaries, if any) who meet the criteria of eligibility to participate in the Proposed ESOS, in accordance with the provisions of the By-Laws. Refer to Part A, Section 2.3 and Appendix II of the Circular for the salient terms of the Proposed ESOS and draft By-Laws, respectively. The ESOS Effective Date shall be a date after completion of the Share Consolidation and the Rights Issue.

TSSCC and the PACs will trigger Mandatory Offer-ESOS, as detailed in Part A, Section 2.4.2 of the Circular. As it is not the intention of TSSCC and the PACs to undertake the Mandatory Offer-ESOS, the Exemption II was sought from and approved by our non-interested shareholders, by way of poll, at the EGM held on 6 July 2023. Further, the SC had, vide its letter dated 24 August 2023, approved the Exemption II.

The Exemption II is valid throughout a tenure of 5 years from the ESOS Effective Date. The approval from the SC for the Exemption II will be invalidated subsequently if there is disqualifying transactions (as defined under the Rules) by TSSCC and the PACs in relation to the acquisition of our Shares and the exercise of Warrants B (which were not held by TSSCC and the PACs on the Circular LPD) from 29 April 2022 (being 6 months prior to the announcement in relation to the Corporate Exercises on 28 October 2022) until the date on which all ESOS Options have been granted to TSSCC and the PACs;

- (iii) On 18 April 2023, our Company announced the Proposed Acquisition, which was approved by our shareholders on 29 August 2023 and is pending completion as at the LPD; and
- (iv) On 29 August 2023, our shareholders resolved to grant authority to enable our Company to purchase and/or hold up to 10% of our Shares pursuant to Section 127 of the Act. As at the LPD, our Company has not purchased any Shares pursuant to this mandate.

2.9 Details of previous fund-raising exercise

Our Company had undertaken the following fund-raising exercise in the past 36 months prior to the date of this AP:

- (i) On 7 January 2021, we completed a private placement of 117,553,916 new Shares (representing up to 20% of our then total number of issued Shares) at an issue price of RM0.1180 each and raised total gross proceeds of RM13.87 million which had been fully utilised for the following purposes as at the LPD:

Purposes	Amount utilised (RM'000)
Funding of existing construction projects ⁽¹⁾	13,820
Expenses for the private placement exercise	51
TOTAL	13,871

Note:

- (1) The proceeds were utilised for our Group's existing construction projects which include, amongst others, payments to contractors, suppliers, site clearing, building and external works.

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3. UTILISATION OF PROCEEDS

Based on the Issue Price, the Rights Issue will raise gross proceeds of up to approximately RM49.48 million, to be utilised by our Group in the following manner:

Utilisation purposes	Minimum Scenario-Rights Issue (RM'000)	%	Maximum Scenario-Rights Issue (RM'000)	%	Expected time frame for utilisation of proceeds [^]
Working capital for property development ⁽¹⁾	20,750	73.84	37,179	75.15	Within 36 months
General working capital requirements ⁽²⁾	6,250	22.24	11,198	22.63	Within 6 months
Estimated expenses for the Corporate Exercises ⁽³⁾	1,100	3.92	1,100	2.22	Within 1 month
TOTAL	28,100	100.00	49,477	100.00	

The actual proceeds to be raised from the Rights Issue is dependent on the number of Shares in issue on the Entitlement Date and the subscription level of the Rights Shares with Warrants C. Any additional proceeds raised in excess of RM28.10 million under the Minimum Scenario-Rights Issue but less than Maximum Scenario-Rights Issue will be utilised in the following order of priority up to its maximum amount:

- (i) general working capital requirements of our Group; and
- (ii) working capital for property development.

Pending utilisation for the abovementioned purposes, the proceeds from Rights Issue will be placed in deposits with licensed financial institution or short-term money market instruments as our Board may deem fit. The interest derived or any gain arising from thereon will be used for general working capital requirements of our Group (such as staff related expenses and other operating expenses), of which the breakdown for the utilisation cannot be determined by our Company at this juncture.

Notes:

[^] From the date of completion of the Rights Issue.

- (1) Our Group undertakes property development projects in Melaka. We intend to use part of the proceeds for an on-going property development project named Taman Bukit Rambai Putra (Phase III) (“**Project**”) with the following details:

Description	:	Development of a 20-storey building comprising 3-storey of car park and 17-storey of residential area containing 184 units of apartment
Location	:	HSD 88420 Lot PT 19996 and HSD 88421 Lot PT 19997, Mukim Tanjung Minyak, Daerah Melaka Tengah, Melaka
Registered owner of the Land*	:	BESB
Developer*	:	Shantawood
Total land area	:	1.2768 hectare
Estimated GDV	:	RM74.3 million
Estimated GDC	:	RM42.0 million, of which approximately RM1.59 million had been incurred as at the LPD for the infrastructure works of the Project such as elevated water tank, central septic tank and retaining wall
Estimated gross development profit	:	RM32.3 million
Status of project	:	Our Group had submitted an application for development order for the abovementioned proposed development to Majlis Bandaraya Melaka Bersejarah on 15 August 2022, which was approved and endorsed by Majlis Bandaraya Melaka Bersejarah on 8 November 2022 and 13 January 2023, respectively.
Expected commencement date	:	3 rd quarter of 2024
Expected completion date	:	3 rd quarter of 2027

Note:

- * BESB is the owner of the Lands, which were earmarked for a mixed housing development. BESB is a not related party to our Group as well as our Directors, chief executive and major shareholders. The Lands have since been sub-divided to facilitate the proposed development of the Project as well as Taman Bukit Rambai Putra (Phases I and II) which form part of this development. Shantawood is the developer to develop and complete a mixed housing development on the Lands. Please refer to Part A, Section 2.2.8 of the Circular for the key salient terms of the joint venture arrangement between BESB and Shantawood.

Details of Taman Bukit Rambai Putra (Phases I and II) are as follows:

Name of project	Completion date	Type of development	No. of units
Taman Bukit Rambai Putra (Phase I)	30 December 2021	Single Storey Semi-Detached	68
		Single Storey Terrace House	49
		Single Storey Rumah Mampu Milik	71
		Single Storey Bungalow	3
		Double Storey Shop Office	37
Taman Bukit Rambai Putra (Phase II)	24 November 2022	Single Storey Semi-Detached	12
		Single Storey Terrace House	133
		Single Storey Bungalow	2

The estimated GDC of the Project is arrived at based on the following:

	RM'000
Preliminary expenses for construction	2,391
Piling and infrastructure works	6,736
Main building construction works	24,317
Consultants fees and payments to authorities	3,181
Mechanical and electrical works	3,774
Provisional for contingency sum	1,601
Total	42,000

Our Group intends to use up to RM37.18 million of the proceeds from the Rights Issue to part finance the abovementioned components of the GDC for the Project of which the exact quantum to be used for each component cannot be determined at this juncture as it is subject to the stage of completion and progress of the Project.

The remaining GDC of the Project which is not funded by the proceeds of the Rights Issue will be funded via a combination of internal funds, bank borrowings, other fund-raising exercise (if any) and/or progressive sale billings from the Project.

The tentative timetable for the Project is as follows:

Tentative timeline	Events
4 th quarter of 2023	Submission of building plan to Majlis Bandaraya Melaka Bersejarah and assuming a processing time of 3 months from the date of submission.
1 st quarter of 2024	<ul style="list-style-type: none"> Obtain approval on building plan. Submission of application for developer's licence, advertising and sales permit.
3 rd quarter of 2024	<ul style="list-style-type: none"> Obtain developer's licence, advertising and sales permit (assuming a processing time of 6 months from date of submission). Commence construction work for the Project.

The above timeline is indicative at this juncture as any prolonged processing time by relevant authorities or material surge in construction cost may affect the implementation timeline.

The Project is our Group's maiden foray into construction of high-rise property development and our Management intends to leverage on its successful launch to undertake more similar projects in the future. Our Group's property development and construction business is currently led by our Group's Executive Chairman, TSSCC, and he is supported by a project team comprising of 7 personnel for various roles such as project manager, civil and structure engineer, site manager and quantity surveyor who are capable to oversee and manage the Project, with their prior working experiences in the property development and construction for our Group's past projects as well as on-going projects as set out in Appendix III of this AP. In addition, our Group has appointed third party project consultants and contractor who have related expertise in undertaking the Project.

In the event there is a delay in obtaining the relevant approvals to commence the Project or the Project is aborted for whatsoever reason, our Management will re-allocate the amount earmarked for the Project to other property development projects undertaken or to be undertaken by our Group. If such re-allocation of proceeds is considered a material variation (as defined under paragraph 8.22 of the Listing Requirements), our Company will issue a circular to our shareholders and seek our shareholders' approval for such proposed re-allocation of proceeds. As at the LPD, our Management has not identified any other property development projects of which our Management intends to use the proceeds to finance the respective GDC. For information purpose, other than the Project, our Group has 7 on-going property development projects in Melaka as at the LPD, of which construction work had commenced for the 7 projects. Please refer to Appendix III of this AP for further details on the other property development projects of our Group.

Our Group has been using internal funds to finance the GDC of the Project incurred up to the LPD. If there is a delay in the implementation of the Rights Issue (e.g. the Rights Issue is only implemented after commencement of construction works of the Project), our Group will use a combination of internal funds, bank borrowings and/or progressive sale billing from the Project to fund the Project while awaiting for the availability of proceeds from the Rights Issue, where applicable.

- (2) Our Management intends to use part of the proceeds from the Rights Issue for our Group's general working capital requirements for our daily operations in the following manner:

	Indicative allocation	Minimum Scenario-Rights Issue	Maximum Scenario-Rights Issue
	(%)	RM'000	RM'000
Purchase of materials for manufacturing and trading of furniture business	60.0	3,750	6,720
Staff costs ^(a)	20.0	1,250	2,239
Operating and administrative expenses ^(b)	20.0	1,250	2,239
Total	100.0	6,250	11,198

The above allocation is indicative at this juncture and subject to re-allocation as our Management may deem in the best interest of our Company. Despite this, priority shall be given for utilisation of proceeds for the purchase of materials for the manufacturing and trading of furniture business segment of our Group.

Notes:

- (a) Comprise payments for staff-related expenses (e.g., salaries, statutory contributions and staff welfare) of our Group.
- (b) Comprise payments for upkeep of plant, machinery and office; utilities; and general administrative expenses for our Group's manufacturing and trading of furniture business. The actual breakdown of proceeds to be utilised for each component of operating and administrative expenses has not been determined by our Management at this juncture and will depend on the operating and funding requirements of our Group at the relevant point in time.

- (3) Comprise fees payable to authorities and professional advisers, expenses to convene our EGM for the Corporate Exercises and other ancillary expenses in relation to the Corporate Exercises (including Malaysian sale and services tax) as well as estimated out-of-pocket expenses to be incurred by respective professional advisers, estimated in the following manner:

	Indicative allocation (%)	Estimated amount (RM'000)
Advisory fees	73.7	811
Fees payable to relevant authorities	14.8	163
Other incidental expenses in relation to the Corporate Exercises (including EGM, printing, despatch and advertising expenses)	11.5	126
Total	100.0	1,100

Any variation to the actual amount of expenses for the Corporate Exercises will be adjusted accordingly to/from the proceeds allocated for the general working capital requirements of our Group.

The exact quantum of proceeds that may be raised by our Company from the exercise of Warrants C depends upon the subscription level for the Rights Issue and actual number of Warrants C exercised during the tenure of Warrants C. The proceeds to be raised from the exercise of Warrants C shall be utilised to fund the development expenditure for property development business of our Group and/or future acquisitions of landbank, of which the exact breakdown and timeframe for the utilisation cannot be determined at this juncture. Save for the Proposed Acquisition, our Management has not identified any potential acquisitions of landbank at this juncture. Where applicable and required under the Listing Requirements, our Company will make the relevant announcement and seek our shareholders' approval (if required) for any future acquisitions of landbank by our Group. Pending utilisation for aforementioned purposes, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments as our Board may deem fit to earn interest income or gain on investment. The interest income or gain arising therefrom will be used for general working capital requirements of our Group (such as staff related expenses and other operating expenses), of which the breakdown for the utilisation cannot be determined by our Company at this juncture.

4. RATIONALE FOR THE RIGHTS ISSUE

Our Group recorded deposit, bank and cash balances of RM3.76 million as at 30 June 2023 (being the latest published unaudited financial results of our Group prior to the LPD), which our Management intends to preserve it for our Group's current business operations.

After due consideration of various methods of fund-raising available, our Board is of the view that the Rights Issue is an appropriate avenue of fund-raising for the purposes as stated in Section 3 of this AP, based on the following key consideration:

- (i) it allows us to raise up to RM49.48 million, without incurring interest expenses as compared to bank borrowing, for purposes as stated in Section 3 of this AP which in turn, is expected to strengthen the financial position of our Group via expansion of our property development business;
- (ii) it involves issuance of new Shares without diluting existing shareholders' percentage of shareholdings in our Company, assuming all Entitled Shareholders fully subscribe for their respective entitlements under the Rights Issue;
- (iii) it provides an opportunity for our existing shareholders to increase their equity participation in our Company by subscribing to the Rights Shares and exercising the Warrants C into new Shares; and
- (iv) it allows us to raise additional funds to, amongst others, fund our Group's development expenditure for property development business and/or future acquisition of landbank as and when Warrants C are exercised.

5. RISK FACTORS

You and/or your renounee(s)/transferee(s) (if applicable) should consider carefully the following risk factors which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this AP, before subscribing for or investing in the Rights Shares with Warrants C.

5.1 Risks relating to our Group's property development and construction segment as well as property rental segment

(i) Project completion risks

As set out in Section 3 of this AP, the proceeds to be raised from the Rights Issue is intended to be utilised to mainly fund our Group's working capital for the property development business. Hence, our Group is exposed to the risk that there may be delay in the completion of the construction and/or development projects due to events such as natural disaster, adverse weather conditions, delay in obtaining the necessary approvals or permits, shortage or late arrival of building materials, changes in regulatory environment, site accidents as well as the performance of our contractors and subcontractors. Any delays in the project completion may lead to increase in project costs and affect our Group's profitability and reputation in the property development and construction segment.

Our Group previously had encountered delays in obtaining the relevant approvals such as Certificate of Completion and Compliance (CCC) for Taman Bukit Rambai Putra Projects (Phases I and II) during the COVID-19 pandemic as a result of the movement control order implemented by our government in the past financial years. In addition, some of our projects were temporarily suspended such as Taman Seri Tanjong Minyak (Phases II and III) in March 2020 to April 2020 due to total lockdown imposed by our government and in June 2021 to July 2021 due to restriction of construction activities imposed by our government, all being measures by our government to curb the COVID-19 pandemic. Further details on our Group's ongoing property development projects are set out in Appendix III of this AP. Our Group establishes close supervision on the progress of the construction and/or development projects as well as leverages on our Executive Directors' experience in this industry to ensure meeting completion datelines of the construction and/or development projects.

Nonetheless, there is no assurance that our Group will not encounter such delay which will adversely affect our business operations and financial performance. Should such incidences occur, our Group shall seek appropriate extensions of time within the legal framework of the property industry.

(ii) Operational / Business risks

Our Group is subject to risks inherent in the property and construction industries which include, amongst others, changes in general economic and business conditions which affect the demand for properties; changes in regulatory framework within which the property sector operates; fluctuations in the supply and prices of building materials; and availability of labour. Other business risks include competition from sales of properties from other developers as well as excess of property supply and overhang conditions.

While we seek to minimise these risks through prudent management of our business, there can be no assurance that these risks will eventuate and adversely affect our business conditions and financial performance.

(iii) Availability of viable landbank for development

Our Group's success in the property development and construction segment is dependent on our ability to identify and acquire suitable landbanks with development potential to undertake profitable property development projects. The continuous identification and replenishment of landbank is crucial in determining whether our Group can deliver sustainable growth and contribute positively to the earnings of our Group in the medium to longer term.

Due to scarcity of strategic landbank, our Group is expected to face intense competition from other established property developers in the acquisition of strategic landbanks at commercially viable prices. Thus far, our Group always ensure that we have sufficient landbank to ensure continuity of our property development projects.

Given the competition, landbank may be acquired at a higher acquisition cost. There is no assurance that this would not lead to a reduction in our Group's profitability or that our Group is able to identify and acquire landbank at commercially viable prices from time to time.

(iv) Our property rental income may be adversely affected by a number of factors

The rental income derived by our Group for our industrial properties may be adversely affected by a number of factors, including, but not limited to:

- (a) our ability to collect rent from our tenants on a timely basis;
- (b) the rental rates and the terms of the renewed leases being less favourable than the current leases;
- (c) the tenants that breach the terms and conditions of the leases resulting in termination of leases or non-payment of rental;
- (d) the general macroeconomic and supply and demand trends affecting the global and Malaysian economic conditions and conditions in the industrial properties in Malaysia;
- (e) reduced occupancy rates due to change in tenants' business strategy and/or relocation of business operation; and
- (f) changes in laws and governmental regulations in relation to industrial properties, including those governing usage and zoning.

During the period of COVID-19 pandemic, our Group faced delay in receiving property rental from some of our tenants due to movement control order imposed by our government. While our Group will continue to take measures to ensure careful selection of potential tenants, there is no assurance that the abovesaid factors will not adversely affect our business.

5.2 Risks relating to our Group's furniture manufacturing and trading segment

(i) Operational risk

Our furniture manufacturing plants as well as the machineries and equipment installed therein are subject to loss as a result of natural disasters such as fire and floods, which is beyond our Group's control. Further, any frequent breakdown of machineries and equipment in our furniture manufacturing plants may materially disrupt our manufacturing progress and adversely affect our Group's financial performance.

Our Group recorded losses and damages of RM36.96 million for the FYE 2012 due to fire breakouts in July 2011 at the manufacturing plants located at Bukit Rambai, Melaka belonging to Shantawood. While we have insurance coverage for our manufacturing plants, machineries and equipment, periodic maintenance of machineries and equipment and also a pool of subcontractors for parts of our manufacturing process, there is no assurance that our manufacturing activities will not be disrupted due to unforeseen operational risks. Any unforeseen disruption to our manufacturing activities will adversely affect our Group's revenue and profitability.

(ii) Fluctuation in the supply and prices of raw materials

We use particle board, natural wood and veneer for our Group's furniture manufacturing, which we source from a pool of local and foreign suppliers who, thus far, are able to provide a constant supply at competitive prices. Although our Group is not dependent on any single supplier for the sourcing of raw materials as it is our Group's policy to have multiple sources, there can be no assurance that there will be no disruption to our Group's furniture manufacturing activities due to shortage in these materials.

Further, the price of raw materials for our furniture manufacturing may fluctuate due to changes in supply and demand. Any shortage or disruption in the supply of raw materials which results in price fluctuation may adversely affect our Group's operations and overall financial performance. Our

Group also faced increase in raw materials costs for our furniture manufacturing and trading business due to the increase in prices of raw materials such as rubberwood, foam and chemicals, the strengthening of the United States Dollars relative to RM as a result of geopolitical tension arising from Ukraine-Russia war which has affected our profitability in view of the increase in the cost of sales in the past financial years. Please refer to Section 5 of Appendix I of this AP for the financial commentary for these financial years.

(iii) Absence of long-term agreements with our customers

Our Group does not enter into any long-term agreements with our customers as we manufacture our products based on confirmed orders. The absence of long-term agreements has resulted in the fluctuation of our Group's revenue from our furniture manufacturing and trading segment as disclosed in Section 5 of the Appendix I of this AP as well as overall financial performance as the orders from our customers are generally on a purchase order basis. While our Group continuously seeks to maintain and strengthen our existing business relationships and establish relationships with new customers to expand our customer bases, there can be no assurance that there will be no termination of business relationships or reduced orders from any of our customers which could potentially result in decline in our Group's financial performance.

(iv) Competition from local and foreign manufacturers

The furniture industry is highly competitive and we face competition from local and foreign manufacturers such as lower priced furniture products by Chinese and Vietnamese. We compete with our competitors on a variety of factors, such as product quality and design, pricing, delivery times, reputation and customer service. There can be no assurance that we will be able to compete with our competitors effectively and the competition will become more intense with the entry of new market players. This may lead to an increased pressure on our Group to maintain competitiveness by lowering the prices of our products which in turn, will lower our Group's profit margin and affect our Group's market share.

(v) Labour market risk

The furniture manufacturing industry is very labour intensive. Any labour shortages and increase in labour cost due to various factors including the implementation of minimum wage policy which may affect our Group's profitability. Further, if we are unable to hire suitable workers due to lack of interest and low wages, we may face shortage of workers which will affect our furniture manufacturing operation. While we can outsource certain manufacturing activities to external parties, there is no assurance that there will be no disruption to our Group's furniture manufacturing activities due to shortage of labour.

5.3 Risks relating to our Group

(i) Dependence on key personnel

Our Group's business sustainability depends largely on the abilities, skills and experience as well as the continued efforts of our existing Executive Directors and key management personnel. The loss of any Executive Directors and/or key management personnel without suitable and timely replacement, or the inability of our Group to attract and retain other qualified personnel, may adversely affect our Group's revenue and profitability. There is no assurance that our Group will be able to identify, attract and retain skilled personnel from time to time in the future or that any loss of key management personnel can be easily and quickly replaced without major disruption to our Group's operations.

(ii) Risk from the COVID-19 outbreak or occurrence of similar pandemics

Since March 2020, lockdown or movement restriction measures had been imposed by the government of Malaysia to curb the spread of COVID-19. These had an adverse impact to, amongst others, the performance of Malaysian economy, progress of our Group's property construction and/or development projects and our Group's furniture manufacturing activities.

Although Malaysia has entered into the endemic phase of COVID-19 and there is no longer any lockdown or movement restriction measures imposed by the government of Malaysia since then, there can be no assurance that any occurrence of similar pandemics in the future may similarly cause restriction in movement of goods and people, disruptions of supply chain and/or any other external factors which are beyond the control of our Group, which would have a material adverse effect on the business operations and financial performance of our Group.

Save as disclosed in Section 5.1 of this AP and Section 5 of Appendix I of this AP, our Group's business operations and financial conditions do not face any material impact during the COVID-19 pandemic and the imposition of the movement control orders in the past years.

Should there be a future outbreak of infectious disease similar to the COVID-19 pandemic, governments around the world may again impose lockdown measures including closure of international borders as well as temporary cessation of a range of business activities. In this instance, our Group's business operations and financial performance may be adversely affected.

(iii) Economic, political and regulatory considerations

Our Group's businesses, results of operations, financial condition and prospects may be affected by risks on the occurrence of force majeure events or circumstances which are beyond the control of our Group, for instances, natural disasters, closure of international borders, economic risks (such as an economic downturn, slower global and domestic growth and inflation), ongoing trade and geopolitical tensions, commodity-related crisis, adverse developments in political and government policies in Malaysia and foreign markets, acts of war or terrorism, riots, expropriations and changes in political leadership, all of which may affect investors' confidence in the financial and stock markets. While we strive to take precautionary measures such as prudent business, financial and risk management policies, most of the above changes are beyond our control and there can be no assurance that any adverse developments will not materially affect the business operations and performance of our Group.

5.4 Risks relating to the Rights Issue

(i) Investment risk

The market prices of our Shares and Warrants C as traded or to be traded on Bursa Securities are influenced by, amongst others, the prevailing market sentiments, volatility of the equity markets and outlook of the industries in which our Group operates in as well as our financial performance. In view of this, there can be no assurance that the Rights Shares (together with the new Shares to be issued pursuant to the exercise of Warrants C) and the Warrants C will trade at or above the Issue Price or the Exercise Price C or the TEAP, upon or subsequent to the listing and quotation of these securities on the Main Market of Bursa Securities.

The Warrants C are new instruments issued by our Company. Therefore, there can be no assurance that an active market for the Warrants C will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants C will be 'in-the-money' during the exercise period for the Warrants C. Accordingly, there is no assurance that the market price of the Warrant C will be at a level that meets the specific investment objectives or targets of any subscriber of the Warrants C.

(ii) Failure or delay in the completion of the Rights Issue

The Rights Issue is exposed to the risk that it may be delayed or aborted due to the occurrence of force majeure events or circumstances, which are beyond the control of our Company and the Principal Adviser, arising prior to the completion of the Rights Issue. Such events or circumstances include, epidemics or pandemics; natural disaster; adverse developments in political, economic and government policies in Malaysia (including changes in political leadership, inflation and interest rates); global economic downturn; and acts of war, terrorism, riots and expropriations. No assurance can be made that the abovementioned events or circumstances will not cause a failure or delay in the completion of the Rights Issue.

If you have acquired the Provisional Allotments via the open market, you may not be able to recover your investment cost in the event the Rights Issue is terminated.

Where prior to the issuance and allotment of the Rights Shares with Warrants C to our successful Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable):

- (a) in the event of failure in the completion of the Rights Issue where the SC issues a stop order pursuant to subsection 245(1) of the CMSA, all applications shall be deemed to have been withdrawn and cancelled and our Company shall forthwith repay, without interest, all monies received from the applicants within 14 days from the date of the stop order, failing which we shall be liable to repay such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC from the expiration of that period pursuant to subsection 245(7)(a) of the CMSA; or
- (b) in the event of failure in the completion of the Rights Issue (other than pursuant to subsection 245(1) of the CMSA), all application monies received pursuant to the Rights Issue will be refunded to our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who have subscribed for the Rights Shares with Warrants C, without interest.

If the Rights Shares with Warrants C have been issued and allotted to our successful Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) and:

- (a) the SC issues a stop order pursuant to subsection 245(1) of the CMSA, any issue of the Rights Shares with Warrants C 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 from the date of service of the stop order, our Company shall be liable to repay such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC from the expiration of that period and to take necessary steps to effect the stop order pursuant to subsection 245(7)(b) of the CMSA; or
- (b) the Rights Issue is subsequently cancelled or terminated for reasons other than pursuant to a stop order by the SC under subsection 245(1) of the CMSA, a return of monies received from the applicants can only be achieved by way of cancellation of our Company's share capital as provided under the Act and its related rules.

Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of 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 or a solvency statement from our Directors. There can be no assurance that such monies can be returned within a short period of time or at all in such circumstances.

Notwithstanding the above, we will exercise our best endeavour to ensure the successful implementation of the Rights Issue. However, there can be no assurance that the abovementioned events will not cause a failure or delay in the completion of the Rights Issue.

(iii) Potential dilution of existing shareholders' shareholdings

Our Entitled Shareholders who do not or are unable to subscribe fully for their entitlements pursuant to the Rights Issue will experience dilution in their proportionate percentage of shareholdings and voting interest in our Company and the percentage of the enlarged issued share capital represented by their shareholdings in our Company accordingly. Consequently, their proportionate entitlement to any future distribution, rights and/or allotment that our Company may make after completion of the Rights Issue will correspondingly be diluted.

(iv) Forward-looking statements

Certain statements in this AP are based on historical data, which may not be reflective of the future results and others are forward-looking in nature, which are subject to uncertainties and contingencies. All forward-looking statements contained in this AP are based on estimates and assumptions made by our Company, unless stated otherwise.

Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In view of the above, the inclusion of any forward-looking statements in this AP should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

6. INDUSTRY OUTLOOK AND PROSPECT OF OUR GROUP

6.1 Overview and outlook of Malaysian economy

The Malaysian economy expanded moderately in the second quarter of 2023 (2.9%; 1Q 2023: 5.6%), weighed mainly by slower external demand. Domestic demand remained the key driver of growth, supported by private consumption and investment. Household spending was supported by further growth in employment and wages. Meanwhile, investment activity was underpinned by capacity expansion, progress of multi-year projects and higher fixed asset spending by the government. Continued recovery in inbound tourism partially offset the slower goods export growth. Growth during the quarter was also affected by the high base effect in the second quarter of 2022 when the economy experienced strong growth from reopening effects of the economy (i.e., the shifting to endemic stage from the COVID-19 pandemic in the past years) and policy measures. Tourism-related activities are expected to pick up further and provide support to growth. Monetary Policy Committee (“MPC”) maintained the Overnight Policy Rate at 3.00% at the July 2023 meeting. The MPC deemed the monetary policy stance to be slightly accommodative and supportive of the economy. Going forward, the MPC will continue to closely monitor the ongoing domestic and global developments, and their impact on domestic inflation and growth prospects. The MPC will ensure that the monetary policy stance remains conducive to sustainable economic growth amid price stability.

On the supply side, the services and construction sectors continued to support growth. Meanwhile, production in the agriculture and mining sectors were affected by hot weather and plant maintenance. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.5% (1Q 2023: 0.9%).

Headline inflation during the quarter continued to moderate to 2.8% (1Q 2023: 3.6%). The moderation was recorded in both non-core inflation and core inflation. For non-core inflation, fresh food and fuel contributed to the decline. Core inflation, while declining, remained elevated relative to its long-term average (2011-2019 average: 2.0%). The moderation in core inflation (2Q 2023: 3.4%; 1Q 2023: 3.9%) was largely contributed by selected services. These included food away from home, telephone and telefax services, and personal transport repair and maintenance. Inflation pervasiveness declined as the share of Consumer Price Index items recording monthly price increases moderated to 42.7% during the quarter (1Q 2023: 56.0%), below the second quarter long-term average (2011-2019) of 43.9%. Notably, inflation pervasiveness dropped in June after a transitory uptick in May following the festive season.

With the challenging global environment, the Malaysian economy is projected to expand close to the lower end of the 4.0% to 5.0% range in 2023. Growth will continue to be supported by domestic demand amid improving employment and income as well as implementation of multi-year projects. Tourist arrivals are expected to continue rising, which would support tourism-related activities. Governor Datuk Abdul Rasheed Ghaffour explained, “Risks to Malaysia’s growth outlook is subject to downside risk stemming primarily from weaker-than-expected global growth. There are, however, upside risk factors such as stronger-than-expected tourism activity and faster implementation of projects.” For the second half of 2023, both headline and core inflation are projected to trend lower within expectations, partly due to the higher base in the corresponding period last year. Nonetheless, risks to the inflation outlook are subject to the changes to domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2023, BNM)

6.2 Overview and outlook of the property development and construction industries in Malaysia

Construction industry

The value of work done in the construction sector continued to increase for the fifth quarter with year-on-year growth of 8.1 per cent to record a total of RM32.4 billion in the second quarter of 2023 (Q1 2023: 9.4%). The increment was supported continuously by double-digit growth in civil engineering with 10.4 per cent in this quarter (Q1 2023: 17.2%). In the meantime, the sub-sector of special trade activities recorded higher growth in this quarter by 9.8 per cent as compared to 9.0 per cent in the previous quarter while the non-residential buildings sub-sector grew modestly by 5.7 per cent (Q1 2023: 9.6%). Additionally, the work done value in the residential buildings sub-sectors rebounded to 6.9 per cent from negative 2.2 per cent registered in the preceding quarter. A total of RM12.1 billion or 37.4 per cent of the construction work done value was civil engineering contributed mainly by the construction of roads and railways activity with a value of RM6.5 billion in this quarter.

In the meantime, the value of work done for non-residential buildings and residential buildings was RM9.9 billion (30.7%) and RM7.3 billion (22.7%), respectively. The combined share of these two construction activities made up more than half of the work done value in this quarter, encompassing 53.4 per cent. Meanwhile, special trade activities amounted to RM3.0 billion (9.2%), largely in plumbing, heat and air-conditioning installation (RM0.9 billion); and electrical installation (RM0.8 billion) activities.

The private sector remained as the main spurs to the growth in this quarter, with an increase of 17.3 per cent (Q1 2023: 10.6%). The value of work done by the private sector amounted to RM20.4 billion or 63.1 per cent of the total construction work done value. Nevertheless, the public sector with a share of 36.9 per cent or equivalent to RM11.9 billion, declined by 4.8 per cent during this quarter (Q1 2023: 7.4%).

(Source: Quarterly Construction Statistics, Second Quarter 2023, Department of Statistics Malaysia)

The construction sector is anticipated to increase by 6.1% in 2023 with all subsectors recording a better performance. The implementation of new projects such as upgrading the Klang Valley Double Track (KVDT) Phase 2 and acceleration on ongoing infrastructure projects which include East Coast Rail Line, Light Rail Transit Line 3 and fifth-generation cellular network (5G) rollout will spearhead the civil engineering subsector. In addition, the approved investment for projects in the manufacturing sector is anticipated to come on stream and subsequently create a greater demand for non-residential buildings. Activities in the residential buildings subsector are projected to grow steadily, supported by an increase in the supply of affordable houses in line with the 12th Malaysian Plan strategy. In addition, continuous Keluarga Malaysia Home Ownership Initiative (i-MILIKI) incentive to encourage home ownership is expected to spur demand for residential buildings. *(Source: Updates on Economic & Fiscal Outlook and Revenue Estimates 2023, MOF)*

Property market in Malaysia

Despite the challenging global financial and economic environment, the property market managed to stay poised and posted a marginal softening in market activity in the first half of 2023 (H1 2023) compared to the same period last year (H1 2022).

For residential property, there were 114,973 transactions worth RM44.78 billion recorded in the review period, decreased slightly by 1.0% in volume and 1.8% in value year-on-year. Secondary market formed 79.4% (91,318 transactions) of the total residential transactions while primary market (purchase from developers) formed 20.6% (23,655 transactions). States' performances were mixed. All states recorded lower market volume except Johor, Negeri Sembilan, Perlis and Kedah which recorded an increase in market activity by 39.9%, 14.6%, 4.3% and 3.2% respectively offset the overall decline. The primary market saw fewer new launches in the first half of the year, reflecting the cautionary sentiment among developers. In the first half of 2023, the residential overhang situation improved as the numbers reduced. A total of 26,286 overhang units worth RM18.30 billion was recorded, showing a decrease of 5.3% and 0.6% in volume and value respectively against H2 2022. Likewise, the unsold under construction residential units saw a decrease of 4.9% to 54,844 units compared to H2 2022 (57,649 units).

In line with the cautious sentiment among developers, residential construction activity slowed down in the first half of 2023. The number of completions, starts and new planned supply decreased by 10.4% (28,412 units), 1.2% (41,101 units) and 15.8% (31,139 units) respectively against the first half last year. Malaysian House Price Index (MPHI) continued to increase at a moderating trend. As at Q2 2023, the MHPI stood at 212.3 points, up by 2.2% on annual basis. However, the index points decreased by 1.6% against Q1 2023 (215.8 points). All states recorded positive annual growth against Q2 2022 except for Sarawak (-0.7%) and Terengganu (-0.1%).

The property market performance was moderate in the first half of 2023 compared to the same period last year despite of a number of headwinds which have limit the sector's growth potential. This include the increase of borrowing costs, the continued downtrend in Consumer Sentiment Index (CSI) (Q2 2023: 90.8 points; Q1 2023: 99.2; Q4 2022: 105.2) and the concerns on the economic situations due to weaker external demand. The gradual increase in the Overnight Policy Rate since May 2022 is expected to have an impact on property market activity, particular on residential demand. In addition, the outlook of the workforce in the construction sector and the increase in the prices of building materials will also affect supply. The country's economic and financial developments and the sentiment of industry players are the internal factors that will have an impact on the property sector as well as the external factors such as global financial and economic conditions. As the national economy is projected to expand to the lower end of the 4.0% to 5.0% range in 2023 supported by continued resilient domestic growth prospects, the property market performance is expected to remain cautiously optimistic.

(Source: Property Market Report First Half 2023, Valuation and Property Services Department, MOF)

The property market performance recorded an increase in 2022 supported by a better performance in all sectors compared to the previous year. In 2022, a total of 389,107 transactions worth RM179.07 billion were recorded, showing an increase of 29.5% in volume and 23.6% in value compared to the previous year (2021: 300,497 transactions; RM144.87 billion). Volume of transactions across the sub-sectors showed upward movements. Residential, commercial, industrial, agriculture and development land sub-sectors recorded a year-on-year growths of 22.3%, 46.3%, 44.5%, 44.6% and 35.7% respectively. The residential sub-sector led the overall property market, with 62.5% contribution in volume. This was followed by agriculture (21.1%), commercial (8.4%), development land and others (5.9%) and industrial (2.1%). In terms of value, residential took the lead with 52.6% share, followed by commercial (18.2%), industrial (11.8%), agriculture (10.0%) and development land and others (7.4%).

The property market continued to record growth in 2022, supported by the implementation of various government initiatives and assistance, improving labour market conditions and higher tourist arrivals. The property market performance is expected to be cautiously optimistic given the unpredictable external environment. The accommodative policies, continuous government support, well execution of measures outlined in the revised Budget 2023 and the proper implementation of strategies and initiatives under RMK-12 are expected to remain supportive of the property sector.

(Source: Property Market Report 2022, Valuation and Property Services Department, MOF)

Property market in Melaka

There were 7,373 transactions worth RM2.38 billion recorded for H1 2023, wherein residential sub-sector accounts for 61.9%, followed by development land and others (19.2%), agriculture (8.7%), commercial (7.8%) and industrial (2.4%) sub-sectors. The MPHI for the state stood at 206.0 points for Q2 2023, up by 3.3% from 199.5 points in Q2 2022. *(Source: Property Market Report First Half 2023, Valuation and Property Services Department, MOF)*

The state's property market performance improved in the review period. There were 17,387 transactions worth RM6.10 billion recorded, indicating increase of 35.2% in volume and 36.9% in value as compared to previous year (2021: 12,859 transactions worth RM4.46 billion). Residential sub-sector continued to dominate the overall market share with 62.8% share, followed by development land & others (15.8%), agriculture (11.6%), commercial (7.0%) and industrial (2.8%) sub-sectors.

Market activity showed better performance across the board. The development land & others led the growth with 78.7%, followed commercial (72.2%), industrial (60.7%), residential (31.4%) and agriculture (0.6%). Correspondingly with the market activity movement, transaction value for all sub-sectors also showed an increase except for development land & others decreased by 23.3%. The residential sub-sector's market performance improved in the review period with 10,918 transactions worth RM3.40 billion, increase 31.4% and 46.1% in volume and value respectively against 2021 (8,309 transactions worth RM2.33 billion). By type, terraced houses were the most active, single storey (3,355 units) and double storey (2,630 units) together capturing 54.8% of the total residential's market share.

The state's property market is expected to continue its growth momentum in 2023. The developments projects implemented would continue to support the property market. Among the developments that are expected to create positive impact on the state's property market are Melaka Waterfront Economic Zone; The Sail Melaka; Ion Forte Green City; Scientex 2, Durian Tunggal; Scientex Bandar Jasin; Scientex Jasin; Harbour City; Molek Residence; Taman Impiana Kesang; and Taman Anjung Sungai Petai.

(Source: Property Market Report 2022, Valuation and Property Services Department, MOF)

Prospect of property market

The property market is expected to continue its momentum with various initiatives outlined by the government under the revised Budget 2023. Among others:

- full stamp duty exemption on instrument of transfer and loan agreement for the purchase of the first residential home priced up to RM500,000 by Malaysia citizens remained until 31 December 2025;
- increase of stamp duty remission from 50% to 75% for the purchase of the first residential properties priced between RM500,000 to RM1 million by Malaysian citizens and applicable for sale and purchase agreements executed until 31 December 2023;
- full stamp duty exemption up to RM1 million and 50% stamp duty remission for the remaining balance on transfers of property by way of love and affection between family members (father to child and grandfather to grandson);
- allocation of RM460.2 million for the building of new homes and home renovations in rural areas;
- allocation of RM389.5 million will be channelled to the People's Housing Programme;
- allocation of RM358 million for the construction of affordable homes under Rumah Mesra Rakyat programme by Syarikat Perumahan Negara Berhad;
- allocation of RM462 million for the construction of 23,000 houses under Projek Perumahan Awam Malaysia; and
- increase the guarantees of up to RM5 billion via Syarikat Jaminan Kredit Perumahan (SJKP) in assisting gig workers such as e-hailing workers in obtaining home financing up to RM500,000.

(Source: Property Market Report First Half 2023, Valuation and Property Services Department, MOF)

6.3 Overview and outlook of the furniture industry in Malaysia

Malaysian Furniture Council has targeted for RM20 billion in export by 2025 based on its Five-Year Plan. "The most obvious challenge to this goal would be the current global COVID-19 pandemic which has inevitably put a dent in our export figures. According to figures from Malaysia External Trade Development Corp ("MATRADE"), our export was only RM326.3 million in April at the height of the Movement Control Order (imposed to mitigate the spread of COVID-19). However, we can take solace in that the furniture industry has recovered rapidly – our export figures by August 2020 stood at RM1.29 billion. On a year-to-year comparison, our total export for 2020 from January until August (RM7.58 billion) has eclipsed the same period's figures for 2019 which stood at RM6.88 billion". *(Source: Timber Malaysia (September-October 2020), Malaysia Timber Council)*

For January to June 2023, Malaysia recorded a total value of export of wood and wood-based products of RM10.04 billion. The top wood and wood-based products exported were wooden furniture (RM4,066.78 million or 40.49% of the total export), followed by sawntimber (RM1,154.69 million or 11.50%) and plywood (RM1,094.61 million or 10.90% of total export). *(Source: Timber Malaysia (July-August 2023, Malaysia Timber Council).*

For 2022, Malaysia recorded a total value of export of wood and wood-based products of RM25.21 billion (2021: RM22.74 billion). The top wood and wood-based products exported were wooden furniture (RM11.15 billion or 44.21% of the total export), followed by plywood (RM3.32 billion or 13.17% of total export) and sawntimber (RM2.66 billion or 10.57% of total export value). (Source: *Timber Malaysia (January-February 2023, Malaysia Timber Council)*)

6.4 Prospect of our Group

(i) Property development and construction as well as property rental

Since our Group's diversification into property development business in 2014, this segment has become major revenue contributor to our Group. The business contributed 82.20%, 75.23% and 58.37% of our total revenue in FYE 2021, FYE 2022 and FYE 2023 respectively. We have established our track record and reputation as property developer in the southern region of Peninsular Malaysia. As at the LPD, our Group is involved in 8 on-going property development projects in Melaka (as set out in Section 3 and Appendix III of this AP) with total estimated GDV of approximately RM144.77 million. Further, as at LPD, four industrial properties of our Group located in Kawasan Perindustrian Bukit Rambai are currently tenanted by various tenants. Our Board believes that the stable rental income from these investment properties will complement the revenue and income contribution from our property development and construction segment.

There are continuing efforts from our government and related agencies in making houses more accessible and more affordable for the households, be it in terms of ownership or renting. In addition, the reintroduction of Home Ownership Campaign under National Economic Recovery Plan which offers stamp duty exemptions, uplifting of the margin of financing limit for the third housing loan onwards for property valued at RM600,000 as well as real property gains tax rates has been abolished for individuals including Malaysian citizens and permanent residents beginning 1 January 2022 for disposal of residential properties from the 6th year onwards from the ownership of the properties will also help to stimulate the property market.

The Melaka state government will develop a new economic corridor, called the Melaka Waterfront Economic Zone ("MWEZ"), built on a 15,000 acres (6,070-hectare) sea reclamation area running 22 kilometres stretch from Umbai to Tanjung Bruas. MWEZ has the potential of turning Melaka into a unique international investment and business destination and boost the state economy. The state government has also undertaken other state development initiatives to stimulate the state's continuous development, e.g. developing Masjid Tanah full district, Melaka high speed rail station, digitalisation and smart city, high-tech industries, Kuala Linggi International Port and waste-to-energy infrastructure project in Sungai Udang. (Source: <https://www.mida.gov.my/mida-news/melaka-to-develop-new-economic-corridor-that-will-be-a-game-changer/>, accessed on the LPD)

Despite the setback to property construction and development segments due to the COVID-19, our Board believes that the property market will gradually improve on the back of various initiatives from the federal and state governments to stimulate the economy as well as property market, which would improve the prospect of our Group's property development business as well as will augur well for the rental demand of our investment properties. The federal government's efforts in boosting the house ownership in Malaysia will benefit our property development and construction business as we are mainly focusing on housing projects. Furthermore, Melaka's state government efforts in boosting the state economy will attract more investments to the state and eventually it will have spillover effects to the demand of properties in Melaka.

(ii) Manufacturing and trading of furniture

To remain competitive in this industry and become resilient towards any uncertainties, our Group had adopted the following strategies to become resilient towards any uncertainties:

- (a) transformation from customised built-to-order into built-and-sell business model to achieve cost benefit from economies of scales. Under the built-and-sell business model, our Group will design and print the artwork onto brochures which will subsequently be sent to our existing customers for consideration. Upon receipt of orders from customers, our Group will then manufacture the selected furniture models. This business model allows our Group to increase our production at lower production cost and keep low level of inventory of manufactured furniture. As at the LPD, our Group has secured orders with total value of RM6.22 million. Further, our Group's manufacturing and trading of furniture business segment had improved its financial performance by recording a gross loss margin of 10.56% in FYE 2020, which further improved to a gross profit margin of 20.81%, 34.64% and 34.63% for FYE 2021, FYE 2022 and FYE 2023, respectively, arising from the abovementioned shift in business model;
- (b) increases our marketing efforts by participating in local and oversea furniture and interior fairs such as Malaysia International Furniture Fair and IMM Cologne, as well as customer visit to promote our Group's furniture products; and
- (c) increasing our product range and designs to remain competitive and relevant in the furniture industry.

The demand for furniture is generally driven by key factors including, growing population, development of the economies and growing urbanisation which fuel the need for housing and commercial building and thus the demand for furniture. The rapidly growing urbanisation worldwide is expected to increase the demand for new residential and commercial buildings and furniture, thus further driving the demand for timber products. According to the World Bank, the urban population in South Asia is expected to grow by 250 million by 2030. According to a report by PricewaterhouseCoopers (PwC), around 60% of the world's population is expected to live in cities by 2030. This rapid urbanisation is expected to boost the demand for timber materials for construction and furniture and drive the manufactured timber materials market going forward. *(Source: Impacts of COVID-19 Pandemic on Malaysia Timber Trade and Mitigation Strategy, Malaysian Timber Industry Board)*

The increased adaptation of remote working arrangements, wherein a greater amount of time is spent at home and consumers are substituting outdoor entertainment expenses with furniture for decoration and/or renovation of their homes, have also spurred the demand for furniture.

Taking into account the prospects of furniture industry in Malaysia, key demand drivers for furniture industry as well as the efforts taken, our Board is of the view that the prospect of furniture industry is encouraging.

Premised on the above, our Board believes that despite the current challenging economic environment in view of the inflationary pressure and rising material costs, there are on-going government initiatives to create opportunities for our Group to grow our various business segments. Further, our Group has recently incorporated 2 wholly owned subsidiary with intended principal activities of green energy and engineering work services provider with the intention to diversify our revenue and income sources in the future. Our Group wishes to kickstart the business via the installation of solar panel at the rooftop of our manufacturing plants. Meanwhile, our Management is also in the midst of assessing any other viable renewable energy related business. Relevant announcement will be made to Bursa Securities in the event there is any major development in this new business venture.

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7. EFFECTS OF THE RIGHTS ISSUE

7.1 Issued share capital

The pro forma effects of the Rights Issue on our Company's issued share capital are as follows:

Share capital	Minimum Scenario-Rights Issue		Maximum Scenario-Rights Issue	
	No. of Shares ('000)	RM'000	No. of Shares ('000)	RM'000
As at the LPD	141,065	72,833	141,065	72,833
To be issued assuming full exercise of outstanding Warrants B ⁽¹⁾	-	-	38,852	19,426
To be issued pursuant to the Rights Issue ⁽²⁾	141,065 51,091	72,833 28,100	179,917 89,958	92,259 49,477
To be issued assuming exercise of Warrants C ⁽³⁾	192,156 40,873	100,933 22,480	269,875 71,967	141,736 39,582
To be issued assuming full exercise of outstanding Warrants B ⁽⁴⁾	233,029 38,852	123,413 19,426	341,842 -	181,318 -
To be issued pursuant to the Proposed ESOS ⁽⁵⁾	271,881 28,823	142,839 15,507	341,842 40,481	181,318 21,779
Enlarged issued share capital	300,704	158,346	382,323	203,097

Notes:

- (1) Computed based on the exercise price of RM0.50 per Warrant B.
- (2) Computed based on the Issue Price.
- (3) Assuming full exercise of the Warrants C at the Exercise Price C.
- (4) Computed based on the exercise of up to 38,852,347 outstanding Warrants B (under Minimum Scenario-Rights Issue).
- (5) Computed based on an illustrative exercise price of RM0.538 per ESOS Option, representing a discount of RM0.0587 or approximately 10% to the TEAP of our Share of RM0.5967 each after completion of the Rights Issue.

7.2 Earnings and EPS

The Rights Issue is not expected to have an immediate effect on the earnings and EPS of our Group for FYE 2024 as all the proceeds to be raised are only expected to be utilised within 6 to 36 months from the date of completion of the Rights Issue. Nevertheless, the Rights Issue is expected to contribute positively to the future earnings and EPS of our Group as and when the benefits of the utilisation of proceeds are realised. The EPS of our Group shall be correspondingly diluted arising from the issuance of Rights Shares and new Shares pursuant to the exercise of the Warrants C in the future. The effects of any exercise of Warrants C on the EPS of our Group would depend on the number of Warrants C exercised and the returns to be generated from the utilisation of proceeds derived from the exercise of the Warrants C.

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7.3 NA and gearing

The pro forma effect of the Rights Issue on the NA and gearing of our Group, based on the unaudited financial statements of our Group as at 30 June 2023, is set out below:

Minimum Scenario-Rights Issue

	(Unaudited)	(I)	(II)	(III)
	As at 30 June 2023	After subsequent event**	After (I) and Rights Issue	After (II) and assuming exercise of all warrants
	RM'000	RM'000	RM'000	RM'000
Share capital	72,833	72,833	100,933	142,840 ⁽³⁾
Revaluation reserves	13,996	13,996	13,996	13,996
Warrants reserves	8,742	8,742	21,318 ⁽¹⁾	-
Discount on share	(8,742)	(8,742)	(21,318) ⁽¹⁾	-
Retained earnings	75,484	75,484	74,384 ⁽²⁾	74,384
Shareholders' fund / NA	162,313	162,313	189,313	231,220
No. of Shares in issue ('000)	705,323	141,065	192,156	271,881
NA per Share (RM)	0.23	1.15	0.99	0.85
Total borrowings*	22,374	22,374	22,374	22,374
Gearing (times)	0.14	0.14	0.12	0.10

Maximum Scenario-Rights Issue

	(Unaudited)	(I)	(II)	(III)	(IV)
	As at 30 June 2023	After subsequent event**	After (I) and assuming exercise of all Warrants B	After (II) and Rights Issue	After (III) and assuming exercise of all Warrants C
	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	72,833	72,833	92,259	141,737	181,319 ⁽⁶⁾
Revaluation reserves	13,996	13,996	13,996	13,996	13,996
Warrants reserves	8,742	8,742	- ⁽⁴⁾	22,144 ⁽⁵⁾	-
Discount on share	(8,742)	(8,742)	- ⁽⁴⁾	(22,144) ⁽⁵⁾	-
Retained earnings	75,484	75,484	75,484	74,384 ⁽²⁾	74,384
Shareholders' fund / NA	162,313	162,313	181,739	230,117	269,699
No. of Shares in issue ('000)	705,323	141,065	179,917	269,875	341,842
NA per Share (RM)	0.23	1.15	1.01	0.85	0.79
Total borrowings*	22,374	22,374	22,374	22,374	22,374
Gearing (times)	0.14	0.14	0.12	0.10	0.08

Notes:

* Being loans, borrowings and lease liabilities of our Group.

** After accounting for the completion of Share Consolidation.

(1) Computed after taking into consideration the issuance of 40,872,727 Warrants C, assumed to have a fair value of RM0.3077 each, based on Black-Scholes Option Pricing Model and TEAP of our Share of RM0.5967 each.

(2) After accounting for estimated expenses of the Corporate Exercises of RM1,100,000.

(3) Being exercise of 40,872,727 Warrants C at the Exercise Price C as well as exercise of 38,852,347 Warrants B at an exercise price of RM0.50 per Warrant B.

(4) Being the reversal of warrants reserve upon exercise of all outstanding Warrants B.

(5) Computed based on issuance of up to 71,966,816 Warrants C, assumed to have a fair value of RM0.3077 each, based on Black-Scholes Option Pricing Model and TEAP of our Share of RM0.5967 each.

(6) Being exercise of up to 71,966,816 Warrants C at the Exercise Price C.

7.4 Substantial shareholders' shareholdings

The pro forma effects of the Rights Issue on the substantial shareholders' shareholdings in our Company are as illustrated in the tables below:

Minimum Scenario-Rights Issue

Name	As at the LPD				(I) After the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
TSSCC	43,343,106	30.73	2,607,358 ⁽¹⁾	1.85	93,151,336	48.48	3,890,037 ⁽¹⁾	2.02
PSCKG	2,565,358	1.82	43,385,106 ⁽¹⁾	30.76	3,848,037	2.00	93,193,336 ⁽¹⁾	48.50
Edward	-	-	45,908,464 ⁽²⁾	32.54	-	-	96,999,373 ⁽²⁾	50.48
Emily	-	-	45,908,464 ⁽²⁾	32.54	-	-	96,999,373 ⁽²⁾	50.48
Eric	42,000	0.03	45,908,464 ⁽²⁾	32.54	42,000	0.02	96,999,373 ⁽²⁾	50.48
Edmund	-	-	45,908,464 ⁽²⁾	32.54	-	-	96,999,373 ⁽²⁾	50.48
Eugene	-	-	45,908,464 ⁽²⁾	32.54	-	-	96,999,373 ⁽²⁾	50.48
Datuk Abdullah bin Mohd Taha	-	-	11,730,280 ⁽³⁾	8.32	-	-	11,730,280 ⁽³⁾	6.10
Suhaimi bin Harun	211,000	0.15	11,730,280 ⁽³⁾	8.32	211,000	0.11	11,730,280 ⁽³⁾	6.10
Goldpeace ⁽⁴⁾	11,730,280	8.32	-	-	11,730,280	6.10	-	-

Name	(II) After (I) and assuming exercise of Warrants C			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
TSSCC	132,997,920	57.07	4,916,180 ⁽¹⁾	2.11
PSCKG	4,874,180	2.09	133,039,920 ⁽¹⁾	57.09
Edward	-	-	137,872,100 ⁽²⁾	59.17
Emily	-	-	137,872,100 ⁽²⁾	59.17
Eric	42,000	0.02	137,872,100 ⁽²⁾	59.17
Edmund	-	-	137,872,100 ⁽²⁾	59.17
Eugene	-	-	137,872,100 ⁽²⁾	59.17
Datuk Abdullah bin Mohd Taha	-	-	11,730,280 ⁽³⁾	5.03
Suhaimi bin Harun	211,000	0.09	11,730,280 ⁽³⁾	5.03
Goldpeace ⁽⁴⁾	11,730,280	5.03	-	-

Maximum Scenario-Rights Issue

Name	As at the LPD				(I) After exercise of Warrants B			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
TSSCC	43,343,106	30.73	2,607,358 ⁽¹⁾	1.85	43,343,106	24.09	2,607,358 ⁽¹⁾	1.45
PSCKG	2,565,358	1.82	43,385,106 ⁽¹⁾	30.76	2,565,358	1.43	43,385,106 ⁽¹⁾	24.11
Edward	-	-	45,908,464 ⁽²⁾	32.54	-	-	45,908,464 ⁽²⁾	25.52
Emily	-	-	45,908,464 ⁽²⁾	32.54	-	-	45,908,464 ⁽²⁾	25.52
Eric	42,000	0.03	45,908,464 ⁽²⁾	32.54	42,000	0.02	45,908,464 ⁽²⁾	25.52
Edmund	-	-	45,908,464 ⁽²⁾	32.54	-	-	45,908,464 ⁽²⁾	25.52
Eugene	-	-	45,908,464 ⁽²⁾	32.54	-	-	45,908,464 ⁽²⁾	25.52
Datuk Abdullah bin Mohd Taha	-	-	11,730,280 ⁽³⁾	8.32	-	-	13,044,539 ⁽³⁾	7.25
Suhaimi bin Harun	211,000	0.15	11,730,280 ⁽³⁾	8.32	211,000	0.12	13,044,539 ⁽³⁾	7.25
Goldpeace ⁽⁴⁾	11,730,280	8.32	-	-	13,044,539	7.25	-	-

Name	(II) After (I) and the Rights Issue				(III) After (II) and assuming exercise of Warrants C			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
TSSCC	65,014,659	24.09	3,911,037 ⁽¹⁾	1.45	82,351,901	24.09	4,953,980 ⁽¹⁾	1.45
PSCKG	3,848,037	1.43	65,077,659 ⁽¹⁾	24.11	4,874,180	1.43	82,431,701 ⁽¹⁾	24.11
Edward	-	-	68,862,696 ⁽²⁾	25.52	-	-	87,226,081 ⁽²⁾	25.52
Emily	-	-	68,862,696 ⁽²⁾	25.52	-	-	87,226,081 ⁽²⁾	25.52
Eric	63,000	0.02	68,862,696 ⁽²⁾	25.52	79,800	0.02	87,226,081 ⁽²⁾	25.52
Edmund	-	-	68,862,696 ⁽²⁾	25.52	-	-	87,226,081 ⁽²⁾	25.52
Eugene	-	-	68,862,696 ⁽²⁾	25.52	-	-	87,226,081 ⁽²⁾	25.52
Datuk Abdullah bin Mohd Taha	-	-	19,566,808 ⁽³⁾	7.25	-	-	24,784,623 ⁽³⁾	7.25
Suhaimi bin Harun	316,500	0.12	19,566,808 ⁽³⁾	7.25	400,900	0.12	24,784,623 ⁽³⁾	7.25
Goldpeace ⁽⁴⁾	19,566,808	7.25	-	-	24,784,623	7.25	-	-

Notes:

- (1) Deemed interest by virtue of the equity interest in our Company held by his/her spouse (either TSSCC or PSCKG) and their child namely Eric.
- (2) Deemed interest by virtue of the equity interest in our Company held by his/her parents namely TSSCC and PSCKG.
- (3) Deemed interest by virtue of his shareholding in Goldpeace pursuant to Section 8 of the Act.
- (4) For the information of our shareholders, the shareholders of Goldpeace are Datuk Abdullah bin Mohd Taha (45%), Suhaimi bin Harun (40%) and Ahmad Humaizi bin Mahat (15%).

7.5 Convertible securities

Save for the 38,852,347 Warrants B, our Company does not have any other convertible securities as at the LPD. Based on the Issue Price and Exercise Price C, the Rights Issue will not give rise to the Adjustments in accordance with the provisions of the Deed Poll B.

8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS

8.1 Working capital

Our Group's working capital is funded through our Group's existing deposits, cash and bank balances, cash generated from operating activities, proceeds from the issuance of equity securities, credit terms granted by our suppliers as well as credit facilities from licensed financial institutions.

As at the LPD, our Group's deposits, cash and bank balances stood at RM4.88 million and we have credit facilities (i.e., term loan and bank overdrafts) of RM40.85 million for working capital purpose, of which RM16.8 million remains un-utilised.

Apart from the abovementioned sources of liquidity, our Group does not have access to other material unused sources of liquidity as at the LPD.

Our Board confirmed that, after taking into consideration our Group's existing deposits, cash and bank balances, the credit facilities available to our Group and proceeds to be raised from the Rights Issue, our Group will have sufficient working capital for our existing operations for a period of 12 months from the date of this AP.

8.2 Borrowings

As at LPD, our Group has total outstanding borrowings of approximately RM20.08 million, all of which are denominated in RM and interest bearing, as follows:

	Total (RM'000)
Short term borrowing (secured):	
Term loans	2,073
Long-term borrowing (secured):	
Term loans	18,006
Total borrowings	20,079

Throughout FYE 2023 and the subsequent period up to the LPD, our Group did not default on payments of either interest and/or principal sum on any borrowings as well as there are no breaches of any terms and conditions or covenants associated with any borrowings.

8.3 Contingent liabilities

Our Board confirms that as at the LPD, there is no contingent liability incurred or known to be incurred by our Company or our Group, which upon becoming enforceable, may have a material impact on the financial position of our Company and/or our Group.

8.4 Material commitments

As at the LPD, our Board confirms that save as disclosed below, there is no material commitment incurred or known to be incurred by our Company or our Group, which upon becoming enforceable, may have material impact on the financial position of our Group:

	RM'000
Capital expenditure approved but not contracted for:	
- Proposed Acquisition	45,095
- Commitments for joint venture for lands ⁽¹⁾	14,250
Total	59,345

Note:

(1) Being remaining commitments for joint venture of land over 7 years from FYE 2022 to FYE 2028.

The abovementioned commitments shall be funded via our Group's internally generated funds and/or bank borrowings. Our Group is currently in the midst of securing bank borrowings from various banks to fund the material commitments.

8.5 Material transactions

Save for the Corporate Exercises and the Proposed Acquisition, our Board confirms that there is no other transaction which may have a material effect on our Group's operations, financial position and results since 30 June 2023 (being the most recent published interim financial results of our Group).

9. INSTRUCTION FOR ACCEPTANCE, SALE OR TRANSFER, EXCESS APPLICATION AND PAYMENT

Full instructions for the acceptance of and payment for the Provisional Allotments as well as the Excess Applications and the procedures to be followed should you and/or your renounce(s)/transferee(s) (if applicable) wish to sell/transfer all or any part of your/his entitlements under the Rights Issue are set out in this AP, the accompanying RSF and the notes and instructions printed therein. In accordance with subsection 232(2) of the CMSA, the RSF must not be circulated unless accompanied by this AP.

You and/or your renounce(s)/transferee(s) (if applicable) are advised to read this AP, the accompanying RSF and the notes and instructions printed therein carefully. Acceptance of and/or payment for the Provisional Allotments which do not conform strictly to the terms of this AP, the RSF or the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of our Board.

9.1 General

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this AP, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants C provisionally allotted to you, as well as to apply for excess Rights Shares with Warrants C, if you choose to do so.

This AP, together with the NPA and RSF, is also available at our registered office, our Share Registrar's office and on Bursa Securities' website at <https://www.bursamalaysia.com>.

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9.2 NPA

The Provisional Allotments are prescribed securities pursuant to section 14(5) of the SICDA and therefore, all dealings in the Provisional Allotments will be by book entries through the CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/or your renouncee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

9.3 Last date and time for acceptance and payment

The last day, date and time for acceptance of and payment for the Provisional Allotments as all as application of and payment for the Excess Applications is **on Monday, 27 November 2023 at 5.00 p.m.**. An announcement shall be made on the outcome of the subscription of the Rights Issue after the Closing Date.

9.4 Methods of acceptance and application

You may subscribe for the Provisional Allotments as well as apply for excess Rights Shares with Warrants C, if you choose to do so, using either of the following methods:

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
Electronic Application ⁽¹⁾	All Entitled Shareholders
NRS	Authorised Nominee who has subscribed for NRS
Bursa Anywhere ⁽²⁾	All Entitled Shareholders who have registered for Bursa Anywhere

Notes:

(1) The following surcharge per Electronic Application via ATM will be charged by the Participating Financial Institutions:

- Public Bank Berhad – RM4.00; and
- Affin Bank Berhad – RM4.00

The following processing fee per Electronic Application via internet financial services website will be charged by the respective Participating Financial Institutions:

- Public Bank Berhad (<http://www.pbebank.com>) – RM4.00; and
- Affin Bank Berhad (<https://www.affinbank.com.my>) – RM4.00

(2) A processing fee of RM2.00 per electronic application via Bursa Anywhere will be charged.

9.5 Procedures for full acceptance and payment

9.5.1 By way of RSF

If you wish to accept your entitlement to the Provisional Allotments, the acceptance of and payment for the Provisional Allotments must be made on the RSF enclosed with this AP and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances of and/or payments for the Provisional Allotments which do not conform to the terms of this AP, the NPA, the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board. Our Share Registrar will not contact you, your renouncee(s) and/or transferee(s) (if applicable) for such acceptance.

Renouncee(s)/transferee(s) (if applicable) who wishes to accept the Provisional Allotments must obtain a copy of the RSF from their stockbrokers or our Share Registrar or at our registered office or from Bursa Securities' website at <http://www.bursamalaysia.com> and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedures for acceptance and payment applicable to our Entitled Shareholders also apply to renouncee(s)/transferee(s) (if applicable) who wishes to accept the Provisional Allotments.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND EXCESS APPLICATIONS AS WELL AS THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT UNDER THE RIGHTS ISSUE ARE SET OUT IN THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS PRINTED THEREIN. IN ACCORDANCE WITH SUBSECTION 232(2) OF THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS AP.

YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS PRINTED THEREIN CAREFULLY.

If you and/or your renouneece(s)/transferee(s) (if applicable) wish to accept your entitlement to the Provisional Allotments, please complete Part I(A) and Part II of the RSF in accordance with the notes and instructions printed therein. Thereafter, please send each completed and signed RSF together with the relevant payment by using the envelope provided (at your own risk) to our Share Registrar by **ORDINARY POST, DELIVERY BY HAND** or **COURIER** to the following address:

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur
Tel. no.: +603-2084 9000
Fax no.: +603-2094 9940

so as to arrive **not later than 5.00 p.m. on Monday, 27 November 2023**, being the last time, day and date for acceptance of and payment for the Provisional Allotments, or such extended time and date as may be determined and announced by our Board.

1 RSF can only be used for acceptance of Provisional Allotments standing to the credit of 1 CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account. If successful, the Rights Shares with Warrants C subscribed for will be credited into your CDS Account(s) where the Provisional Allotments are standing to the credit.

A reply envelope is enclosed with this AP. In order to facilitate the processing of the RSF by our Share Registrar for the Rights Shares with Warrants C, you are advised to use 1 reply envelope for each completed RSF.

You and/or your renouneece(s)/transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares and Warrants C comprises 100 Rights Shares and 100 Warrants C, respectively. The minimum number of securities that can be subscribed for or accepted is 1 Rights Share for every 2 Shares held on the Entitlement Date. Successful applicants of the Rights Shares will be given the Warrants C on the basis of 4 Warrants C for every 5 Rights Shares successfully subscribed for. Fractional entitlements (if any) arising from the Rights Issue will be disregarded and dealt with by our Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of our Company.

If acceptance of and payment for the Provisional Allotments is not received by our Share Registrar by **5.00 p.m. on Monday, 27 November 2023**, being the last time, day and date for acceptance and payment for the Provisional Allotments, or such extended time and date as may be determined and announced by our Board, you and/or your renouneece(s)/transferee(s) (if applicable) will be deemed to have declined the Provisional Allotments made to you and/or your renouneece(s)/transferee(s) (if applicable) and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

If the Rights Shares with Warrants C are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants C to the applicants who have applied for the Excess Applications in the manner as set out in Section 9.8 of this AP. Our Board reserves the right not to accept any application or to accept any application in part only without providing any reason.

You and/or your renounee(s)/transferee(s) (if applicable) who lose, misplace or for any other reasons require another copy of this AP and/or the RSF may obtain additional copies from your stockbrokers, our Share Registrar at the address stated above, or at our registered office or on Bursa Securities' website at <http://www.bursamalaysia.com>.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY APPROPRIATE REMITTANCE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE PROVISIONAL ALLOTMENTS ACCEPTED, IN THE FORM OF BANKER'S DRAFT(S) OR CASHIER'S ORDER(S) DRAWN ON A BANK IN MALAYSIA OR MONEY ORDER(S) OR POSTAL ORDER(S) ISSUED BY A POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "DPS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE CLOSING DATE.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNERS STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF. CHEQUE OR OTHER MODE(S) OF PAYMENT NOT PRESCRIBED HEREIN ARE NOT ACCEPTABLE.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE. IF YOUR APPLICATION IS SUCCESSFUL, SUCCESSFUL APPLICANTS WILL BE ALLOTTED WITH THEIR RIGHTS SHARES WITH WARRANTS C AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPACHED BY ORDINARY POST TO YOU OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) AT YOUR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF OUR COMPANY AS PROVIDED BY BURSA DEPOSITORY WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION OR BY ISSUANCE OF CHEQUE AND SHALL BE DESPACHED TO YOU WITHIN 15 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF OUR COMPANY AS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON.

ALL RIGHTS SHARES WITH WARRANTS C TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING INTO THE CDS ACCOUNTS OF THE SUCCESSFUL APPLICANTS. NO PHYSICAL SHARE CERTIFICATE AND WARRANTS CERTIFICATE WILL BE ISSUED.

9.5.2 By way of Electronic Applications

Only Malaysian individuals who are Entitled Shareholders may apply for the Rights Issue with Warrants C by way of Electronic Applications.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for Electronic Applications and the procedures set out at the ATMs and internet financial services website of the Participating Financial Institutions before making an Electronic Application.

The procedures for Electronic Applications at the ATMs and internet financial services website of the Participating Financial Institutions are set out on the ATM screens and internet financial services website of the relevant Participating Financial Institutions (“**Steps**”). For illustration purposes, the procedures for Electronic Applications are set out below. Please read carefully the terms of this AP, the Steps and the Terms and Conditions of Electronic Applications set out in Section 9.5.2(ii) of this AP before making an Electronic Application:

You must have an account with a Participating Financial Institution and an ATM card issued by a Participating Financial Institution or with access to internet financial services with Public Bank Berhad at <http://www.pbebank.com> or Affin Bank Berhad at <https://www.affinbank.com.my>.

You are advised to read and understand this AP before making the application.

You shall apply for the Rights Shares with Warrants via the ATM or internet financial services website of the Participating Financial Institutions by choosing the Electronic Application option. Mandatory statements required in the application are as set out in Section 9.5.2 of this AP.

Upon the completion of your Electronic Application transaction via ATM, you will receive a computer-generated transaction slip (“**Transaction Record**”), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by our Company or our Share Registrar. The Transaction Record is for your record and is not required to be submitted with your application.

For application via internet financial services website, a message from the Participating Financial Institutions pertaining to the payment status will appear on the screen of the website through which the online payment for the Provisional Allotments is being made. Subsequently, the Participating Financial Institutions shall confirm that the said application has been completed, via the confirmation screen in respect of your application (“**Confirmation Screen**”) on their website. You are advised to print out the Confirmation Screen for your reference and record.

YOU MUST ENSURE THAT YOU USE THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN MAKING AN ELECTRONIC APPLICATION. IF YOU OPERATE A JOINT BANK ACCOUNT WITH ANY OF THE PARTICIPATING FINANCIAL INSTITUTIONS, YOU MUST ENSURE THAT YOU ENTER THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.

(a) Participating Financial Institutions

Electronic Applications may be made through an ATM or internet financial services websites of the following Participating Financial Institutions and their branches within Malaysia:

- Public Bank Berhad; and
- Affin Bank Berhad

(b) Terms and conditions of Electronic Applications

The Electronic Applications shall be made on, and subject to, the terms of this AP, as well as the terms and conditions of the Participating Financial Institutions and those appearing therein:

- (i) You are required to confirm the following statements and undertake that the following information given are true to contract:
 - (a) You have attained 18 years of age as at the Closing Date;
 - (b) You have read this AP and understood and agreed with the terms and conditions of the application; and
 - (c) You give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institutions, their respective agents and any third party involved in facilitating the application/refunds, to disclose information pertaining to yourself and your account with the Participating Financial Institutions and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you complete all the steps required by the Participating Financial Institutions. By doing so, you shall have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 134(1)(a) of Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosures as described above.

- (ii) You confirm that you are not applying for the Provisional Allotments as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.
- (iii) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application which does not strictly conform to the instructions set out on the ATM or screen of internet financial services websites of the Participating Financial Institutions through which the Electronic Application is being made, will be rejected.
- (iv) You agree and undertake to subscribe for or purchase and to accept the number of Provisional Allotments applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the predesignated keys (or buttons)) of the number of Provisional Allotments applied for shall signify, and shall be treated as, your acceptance of the number of Provisional Allotments that may be allotted to you. Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institutions.
- (v) By making and completing your Electronic Application, you, if successful, request and authorise our Company to credit the Provisional Allotments allotted to you into your CDS Account.

- (vi) You acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository and you irrevocably agree that if:
- (aa) our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or
 - (bb) data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,
- you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository for the Provisional Allotments applied for or for any compensation, loss or damage relating to the application for the Provisional Allotments.
- (vii) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institutions at the time you make your Electronic Application shall be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institutions and Bursa Depository shall be entitled to rely on the accuracy thereof.
- (viii) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institutions are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.
- (ix) By making and completing an Electronic Application, you agree that:
- (aa) in consideration of our Company agreeing to allow and accept your application for the Provisional Allotments via the Electronic Application facility established by the Participating Financial Institutions at their perspective ATMs and internet financial services websites, your Electronic Application is irrevocable and cannot be subsequently withdrawn;
 - (bb) our Company, the Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or any cause beyond our control;
 - (cc) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for the Provisional Allotments for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Provisional Allotments; and
 - (dd) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

- (x) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these terms/instructions.
- (xi) Notification on the outcome of your application for the Rights Shares with Warrants C will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:
 - (aa) Successful application – a notice of allotment will be despatched within 8 market days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities; or
 - (ab) Unsuccessful/partial successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 market days from the Closing Date.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 9.5.2 of this AP and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

9.5.3 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominees. Only our Entitled Shareholders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and user guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

(a) Steps for application via NRS

- (i) If you are an Entitled Shareholder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this AP, the RSF nor the NPA by post.
- (ii) Instead, this AP and the Rights Shares Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's user guide for NRS, on the next business day after the Entitlement Date.
- (iii) A notification of the delivery of this AP and the Rights Shares Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.
- (iv) You are advised to read carefully, understand and follow the terms of this AP, BEFORE making the application.
- (v) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issue.

- (vi) To apply for the Provisional Allotments, you will be required to submit your subscription information via Rights Shares with Warrants C Subscription File which is to be prepared based on the format as set out in Bursa Depository's user guide for NRS.
- (vii) Once completed, you will need to submit the Rights Shares with Warrants C Subscription File to Bursa Depository at any time daily before 5:00 p.m., but in any event no later than the Closing Date.
- (viii) Together with the Rights Shares with Warrants C Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:
 - (aa) confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this AP, the contents of which you have read, understood and agreed; and
 - (bb) consent to the disclosure of your information to facilitate electronic refunds where applicable.
- (ix) With regards to payment for the Provisional Allotments which you have applied for, you must transfer the amount payable directly to our bank account, the details of which are as follows:
 - Bank : **PUBLIC BANK BERHAD**
 - Account Name : **DPS RIGHTS ISSUE ACCOUNT**
 - Bank Account No. : **3235730922**
- (x) Upon completion of the transfer/ payment, you may receive a transaction slip from the transacting financial institution confirming the details of your transfer/payment ("**Transaction Slip**"). The Transaction Slip is only a record of the completed transaction and not a record of the receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The Transaction Slip is for your record and is not required to be submitted with your application via NRS.
- (xi) You will be notified on the outcome of your application for the Rights Shares with Warrants C electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.
 - (aa) Successful application – an electronic notification will be sent to you within 8 market days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities; or
 - (bb) Unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 market days from the Closing Date.

The refund will be credited directly into your bank account(s) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in this AP and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) (as provided by you in the Rights Shares with Warrants C Subscription File) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown in Bursa Depository's record at your own risk.

- (xii) Upon crediting of the Rights Shares with Warrants C allotted to you into your CDS Account(s), you will also receive an electronic confirmation of the crediting from Bursa Depository.
- (xiii) You should note that all applications made for the Rights Shares with Warrants C submitted under NRS will be irrevocable upon submission of the Rights Shares with Warrants C Subscription File to Bursa Depository and cannot be subsequently withdrawn.

(b) Terms and conditions for application via NRS

The application via NRS shall be made on, and subject to, the terms of this AP, Bursa Depository's terms and conditions for NRS and Bursa Depository's user guide for NRS as well as the terms and conditions appearing herein:

- (i) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia, including Section 134(1)(a) of Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you, as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.
- (ii) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares with Warrants C applied for as stated on your Rights Shares with Warrants C Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of Rights Shares with Warrants C that may be allotted to you.
- (iii) You acknowledge that by completing and submitting the Rights Shares with Warrants C Subscription File to Bursa Depository, you, if successful, request and authorise our Company to credit the Provisional Allotments allotted to you into the respective CDS Account(s) as indicated in the Rights Shares with Warrants C Subscription File.
- (iv) You acknowledge that your application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if:
 - (aa) our Company, our Share Registrar or Bursa Depository does not receive your application via NRS; or
 - (bb) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository, you shall be deemed not to have made your application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant financial institution for the Rights Shares with Warrants C applied for or for any compensation, loss or damage relating to the application for the Rights Shares with Warrants C.

- (v) By completing and submitting the Rights Shares with Warrants C Subscription File to Bursa Depository, you agree that:
- (aa) in consideration of our Company agreeing to allow and accept your application for the Rights Shares with Warrants C via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;
 - (bb) our Company, the relevant financial institutions, Bursa Depository and our Share Registrar shall not be liable for delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (cc) notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Provisional Allotments issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Provisional Allotments; and
 - (dd) you agree that in relation to any legal action, proceedings or dispute arising out of or in relation to with the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

Our Share Registrar and Bursa Depository, on the authority of our Company, reserve the right to reject applications which do not conform to these instructions.

9.5.4 By way of Bursa Anywhere

Only Entitled Shareholders in Malaysia who had registered for Bursa Anywhere and subscribed for e-Dividend service could apply for the Rights Issue by way of Bursa Anywhere mobile application.

Please read carefully and follow the terms of this AP, the procedures, notices, terms and conditions for Bursa Anywhere before making an application.

The procedures for submitting an application at Bursa Anywhere are set out on the Bursa Anywhere mobile application screens. Please read carefully the terms of this AP, the Steps and the Terms and Conditions as set out in Section 9.5.4 of this AP before making an application.

You are advised to read and understand this AP BEFORE making the application.

Upon completion of your application transaction via Bursa Anywhere, you will receive a push notification from Bursa Anywhere and a message in your Bursa Anywhere account inbox on the request of your Rights Shares with Warrants C subscription. The notification message is only a record of the completed transaction at Bursa Anywhere.

(a) Procedures for submitting an application through Bursa Anywhere:

- (i) Launch the Bursa Anywhere application on your handphone and login using your username and password.
- (ii) Upon successful login, choose the "My Services" at the bottom of the screen and then select "eRights".
- (iii) Next, select "Submit Application", and you will see a screen that informs you to agree with the Terms & Conditions and Notices that governs your Rights Shares with Warrants C application via Bursa Anywhere.

- (iv) Click on the hyperlink of Terms & Conditions and Notices. You must read and understand the Terms & Conditions and Notices before you click “Agree” to proceed to the next page.
- (v) Click “Agree” to proceed to a landing page for you to select the Rights Shares with Warrants C that you would like to subscribe to.
- (vi) Select the Rights Issue that you want to apply.
- (vii) You may click on the hyperlink of the “Prospectus” to view the content of the related AP.
- (viii) You are also required to click on the hyperlink to the “Declaration”. Read and understand the clauses of the “Declarations”.
- (ix) Upon the completion of the above, at the bottom of the Rights Issue detail page you are required to swipe the toggle to the right to indicate that you have read and understood this AP as well as accepted and made the declarations stated in the “Declaration”.
- (x) Next, select the CDS Account for your Rights Shares with Warrants C subscription and click “NEXT”.
- (xi) You will come to a page for you to fill up for entitled and excess Rights Shares with Warrants C subscription. You have the options to select either “Entitle only”, “Excess only” and “Entitled & Excess” for your Right Shares with Warrants C subscription.
- (xii) Select the subscription type, enter the number of units that you would like to subscribe. Click “NEXT” once you complete the required information.
- (xiii) You will come to a “Preview” page, where it displays the following information of your subscription:
 - units and RM amount of your Rights Shares with Warrants C subscriptions
 - subscription fee (charged by Bursa Securities)
 - tax, if applicable
 - stamp duty, if applicable
- (xiv) Check the summary information on the “Preview” page. Click “CONFIRM” at the bottom of the same page, if the information is correct.
- (xv) Next, you will receive a six-digit SMS TAC verification code via your mobile phone (the mobile number that you registered with Bursa Anywhere).
- (xvi) You are required to key-in and submit the verification code.
- (xvii) Upon successful validation of the verification code, you will be led to the Payment Gateway for payment.
- (xviii) You are required to select the bank for your Rights Shares with Warrants C subscription payment. (IMPORTANT NOTE: You are required to use the bank account that you have registered for Bursa Depository’s e-Dividend service. Your subscription will be rejected if another bank account is used for payment. You will be notified if your subscription is rejected. Your subscription monies will be refunded within 3 working days, to your subscription bank account that you have just subscribed.)
- (xix) You will be brought to your selected bank login page for payment.

- (xx) Once payment is made successfully via your selected bank, you will be brought to the “Thank You” page, which displays your bank transaction details.
- (xxi) Click “DONE” at the bottom, you will be led back to the My Service landing page.
- (xxii) You will receive a push notification message in your Bursa Anywhere account inbox.
- (xxiii) You can make multiple applications during the subscription period subject to the maximum quantity you are entitled.

(b) Terms and conditions of applications via Bursa Anywhere

- (i) The electronic copy of this AP is available at the “Prospectus” landing page of “Corporate Announcement” at Bursa Securities’ website and can be accessed via the hyperlink in Bursa Anywhere. You have read this AP prior to making an investment decision and should make the investment decision based on this AP rather than on advertising or promotional materials. The securities offered are offered by our Company solely on the basis of the information contained in this AP.
- (ii) Our Company has appointed Bursa Depository to provide eRights Services via Bursa Anywhere. Bursa Depository is not responsible for, has not authorised and shall not be deemed to have authorised the contents of the electronic copy of this AP and therefore, shall not have any liability in respect of the electronic copy of this AP or the application submitted by way of Bursa Anywhere.
- (iii) The physical printed copy of this AP is available upon request from our registered office, our Share Registrar’s office and on Bursa Securities’ website at .
- (iv) Payment for the application of the Rights Issue via Bursa Anywhere is required to be made from your e-Dividend bank account. Failing which, the request of the eRights application will be rejected.
- (v) By submitting an eRights application from Bursa Anywhere, then you confirm that:
 - you have read and understood the contents of this AP;
 - you have read and agreed to be bound by these terms and conditions and notices for application of Rights Issue and the terms and conditions of Bursa Anywhere;
 - you are eligible to apply for the Rights Shares with Warrants C in Malaysia or in jurisdictions where the securities offering is intended to be available;
 - you irrevocably consent to the receipt of any cash payment or refund in relation to the eRights application to be made via direct credit into the eDividend bank account; and
 - you agree to give irrevocable consent to Bursa Depository to disclose your information, including bank account information, which are necessary or expedient to the relevant entities involved in facilitating the payment of any cash payments or refunds via direct credit into eDividend bank account in relation to the application.
- (vi) Applications shall close at the Closing Date or such later date and time as our Board may decide and announce.

- (vii) An application is deemed to be received by Bursa Anywhere only upon its completion, that is, when you have:
- successfully made full subscription payment via the payment gateway; and
 - received an email indicating that the application has been submitted to our Company and/or our Share Registrar.
- (viii) You are advised to print out and retain a copy of the Transaction Records for record purposes. The Transaction Records are only a record of the completed transactions received at Bursa Anywhere and not a record of the receipt of the application or any data relating to such as application by our Company or our Share Registrar. No application or monies can be accepted electronically in respect of the securities offered once the offer closes on the Closing Date.
- (ix) Upon your receipt of the Transaction Records, cancellation of the application will not be allowed.
- (x) Bursa Depository shall not be liable for any applications made through any alternative methods of application.
- (xi) If Bursa Depository has any reason to believe that the electronic copy of this AP or processes for collection and handling of applications via Bursa Anywhere have been tampered with, Bursa Depository may reject the application and Bursa Depository shall not be liable for such rejection.
- (xii) No securities will be allotted or issued on the basis of this AP after the Closing Date. Bursa Depository, Bursa Securities and Bursa Malaysia Berhad do not guarantee any allotment of securities as a result of the application via Bursa Anywhere and are not responsible for any non-allotment of Rights Shares with Warrants C or part thereof by our Company pursuant to the application via Bursa Anywhere.
- (xiii) Any request for any refunds related to the allotment of Rights Shares with Warrants C must be referred to our Company.
- (xiv) No refund for any subscription fee charged by Bursa Depository and applicable tax (if any), will be made to you if your subscription is rejected by our Share Registrar.
- (xv) The electronic copy of this AP made available on Bursa Securities' website after the Closing Date as described in the terms and conditions is made available solely for informational and archiving purposes.
- (xvi) Risk of submitting the application from Bursa Anywhere:
- (aa) by submitting an application from Bursa Anywhere, you agree to assume the risks associated with conducting transactions online, including risks of electrical, electronic, technical and mobile-related faults and breakdowns, faults with mobile applications, problems occurring during data transmission, mobile security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of Bursa Depository and/or our Company. You acknowledge that the aforementioned events may result in (i) interruption, transmission blackout or delayed transmission; and/or (ii) incorrect data transmission due to the public nature of the internet and agree to bear such risks.
- The applicant agrees that neither Bursa Depository, Bursa Securities, Bursa Malaysia Berhad, our Company nor our Share Registrar shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data, breakdown or failure in communication facilities or due to any cause beyond their control.

- (bb) if, Bursa Depository, our Company and/or our Share Registrar does not receive your application and/or the relevant payment, or in the event that any data relating to the application is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, you shall be deemed not to have made an application. In such an event, you shall have no claim whatsoever against Bursa Depository and/or Bursa Securities and/or our Company and/or our Share Registrar, in relation to the purported application.
- (xvii) Instead of submitting an application via Bursa Anywhere, you may alternatively submit applications through the existing manual paper-based application method as well as other means of application specified in this AP, such as via ATM or internet facilities of financial institutions offering such services within Malaysia and such other methods as may from time to time be permitted by the SC.
- (xviii) In the event a supplementary AP is issued, you are entitled to revise or withdraw your application by contacting our Share Registrar directly. Bursa Depository or Bursa Anywhere will not be able to facilitate any revision or withdrawal of the application in such circumstances.
- (xix) Bursa Depository is committed to protecting the security of the applicant's personal information. It uses a variety of security technologies and procedures, to help protect the confidentiality and security of an applicant's personal information provided through Bursa Anywhere, from unauthorised access, use, or disclosure. In addition, Bursa Depository has put in place appropriate measures to minimise the risks of unauthorised access and to maintain the security of the information it collects through Bursa Anywhere.

9.6 Procedures for part acceptance

If you do not wish to accept the Provisional Allotments in full, you are entitled to accept part of your entitlements that can be subscribed/applied for. The minimum number of Rights Shares that may be subscribed or accepted is 1 Rights Share for every 2 Shares held on the Entitlement Date. However, the Warrants C will be issued in proportion of 4 Warrants C for every 5 Rights Shares subscribed for. Fractions of a Rights Share arising from the Rights Issue will be disregarded and the aggregate of such fractions shall be dealt with as our Board may at its absolute discretion deem fit and expedient and in the best interests of our Company. Applicants should take note that a trading board lot for the Rights Shares and Warrants C comprises 100 Rights Shares and 100 Warrants C, accordingly.

You must complete both Part I(A) and Part II of the RSF by specifying the number of the Provisional Allotments which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manners as set out in Section 9.5 of this AP.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THEREIN.

The portion of the Provisional Allotments that have not been accepted will be made available to the applicants of the Excess Applications.

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9.7 Procedures for sale/transfer of Provisional Allotments

As the Provisional Allotments are prescribed securities, you may sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more person(s) through your stockbrokers during the period up to the last day, date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Accounts. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market of Bursa Securities during the period up to the last day, date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such person(s) as may be allowed pursuant to the Rules of Bursa Depository during the period up to the last day, date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository).

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR ENTITLEMENT TO THE PROVISIONAL ALLOTMENTS, YOU NEED NOT DELIVER ANY DOCUMENT INCLUDING THE RSF, TO YOUR STOCKBROKER. HOWEVER, YOU MUST ENSURE THAT THERE IS SUFFICIENT PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT THAT ARE AVAILABLE FOR SETTLEMENT OF THE SALE OR TRANSFER.

If you have sold or transferred only part of your entitlement to the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Part I(A) and Part II of the RSF and deliver the RSF together with the full amount payable on the balance of the Rights Shares with Warrants C applied for to our Share Registrar. Please refer to Section 9.5 of this AP for the procedures for acceptance and payment.

YOU SHOULD NOTE THAT ANY RSF AND REMITTANCE LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

9.8 Procedures for Excess Applications

9.8.1 By way of RSF

If you wish to apply for additional Rights Shares with Warrants C in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it with a **separate remittance made in RM** for the full amount payable for the excess Rights Shares with Warrants C applied. The completed RSF together with the payment must be received by our Share Registrar no later than **5.00 p.m. on Monday, 27 November 2023**, being the last time, day and date for application and payment for the Excess Applications.

The payment must be made for the exact amount payable for the Excess Applications. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

PAYMENT FOR THE EXCESS APPLICATIONS SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 9.5 OF THIS AP, AND IN THE FORM OF BANKER'S DRAFT(S) OR CASHIER'S ORDER(S) DRAWN ON A BANK IN MALAYSIA OR MONEY ORDER(S) OR POSTAL ORDER(S) ISSUED BY A POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "DPS EXCESS RIGHTS ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR. THE COMPLETED RSF TOGETHER WITH THE PAYMENT MUST BE RECEIVED BY OUR SHARE REGISTRAR NO LATER THAN AT 5.00 P.M. ON MONDAY, 27 NOVEMBER 2023, BEING THE LAST TIME, DAY AND DATE FOR EXCESS APPLICATIONS AND PAYMENT.

THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C APPLIED FOR. ANY EXCESS OR INSUFFICIENT PAYMENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

It is the intention of our Board to allot the excess Rights Shares with Warrants C, if any, on a fair and equitable basis and in the following priority:

- (a) firstly, to minimise the incidence of odd lots;
- (b) secondly, for allocation to our Entitled Shareholders who have applied for excess Rights Shares with Warrants C, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as per their CDS Accounts on the Entitlement Date;
- (c) thirdly, for allocation to our Entitled Shareholders who have applied for excess Rights Shares with Warrants C, on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Rights Shares with Warrants C applied for; and
- (d) lastly, for allocation to their renounee(s)/transferee(s) (if applicable) who has/have applied for excess Rights Shares with Warrants C, on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Rights Shares with Warrants C applied for.

If there is any remaining balance of the excess Rights Shares with Warrants C applied for by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who have applied for the excess Rights Shares with Warrants C after carrying out steps (a) to (d) as set out above, steps (b) to (d) will be repeated again in the same sequence to allocate the remaining balance of the excess Rights Shares with Warrants C to our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who have applied for the excess Rights Shares with Warrants C until such balance is fully allocated.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Warrants C applied for in such manner as our Board deems fit, expedient and 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 steps (a) to (d) above are achieved. Our Board also reserves the rights at its absolute discretion to accept in full or in part any application for excess Rights Shares with Warrants C without assigning any reason thereof.

The final basis of allocation of the excess Rights Shares with Warrants C will be announced on Bursa Securities together with the result of the total valid acceptances and Excess Applications after the Closing Date.

THE PAYMENT MUST BE MADE FOR THE EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C APPLIED FOR. ANY EXCESS OR INSUFFICIENT PAYMENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS APPLICATIONS. HOWEVER, IF YOUR EXCESS APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH WARRANTS C WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS AS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/DISTRIBUTION OR BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS SHOWN IN OUR RECORD OF DEPOSITORS AS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

YOU ARE NOT ALLOWED TO WITHDRAW THE RSF AND PAYMENT ONCE THEY HAVE BEEN LODGED WITH OUR SHARE REGISTRAR.

9.8.2 By way of Electronic Applications

You and/or your renounee(s)/transferee(s) (if applicable) may apply for the excess Rights Shares with Warrants C via Electronic Application in addition to your Provisional Allotments. If you wish to do so, you may apply for the excess Rights Shares with Warrants C by following the same steps as set out in Section 9.5.2 of this AP.

The Electronic Application for Excess Applications will be made on, subject to, the same terms and conditions appearing in Section 9.5.2 of this AP.

Any Rights Shares with Warrants C which are not taken up or not validly taken up by you and/or your renounee(s)/transferee(s) (if applicable) shall be made available for the Excess Applications. It is the intention of our Board to allot the excess Rights Shares with Warrants C, if any, on a fair and equitable basis and in the priority and basis as detailed in Section 9.8.1 of this AP.

WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES WITH WARRANTS C IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT IF YOU HAVE PROVIDED SUCH BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND/ DISTRIBUTION. IF YOU HAVE NOT PROVIDED SUCH BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY, THE REFUND WILL BE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF OUR COMPANY AS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR APPLICATION OF AND PAYMENT FOR THE EXCESS APPLICATIONS.

9.8.3 By way of NRS

You and/or your renounee(s)/transferee(s) (if applicable) may apply for the excess Rights Shares with Warrants C via NRS in addition to your Provisional Allotments. If you wish to do so, you may apply for the excess Rights Shares with Warrants C by following the same steps as set out in Section 9.5.3 of this AP, save and except for the amount payable to be directed to **“DPS EXCESS RIGHTS ACCOUNT” (BANK ACCOUNT NO. 3235731007 WITH PUBLIC BANK BERHAD)** for the excess Rights Shares with Warrants C applied and also that you should complete the details for Excess Application at the designated fields for excess applications in the Rights Shares with Warrants C Subscription File.

The NRS for excess Rights Shares with Warrants C will be made on, subject to, the same terms and conditions appearing in Section 9.5.3 of this AP.

Any Rights Shares with Warrants C which are not taken up or not validly taken up by you and/or your renounee(s)/transferee(s) (if applicable) shall be made available for the Excess Applications. It is the intention of our Board to allot the excess Rights Shares with Warrants C, if any, on a fair and equitable basis and in the priority and basis as detailed in Section 9.8.1 of this AP.

9.8.4 By way of Bursa Anywhere

You and/or your renouncee(s)/transferee(s) (if applicable) may apply for the excess Rights Shares with Warrants C via Bursa Anywhere mobile application in addition to your Provisional Allotments. If you wish to do so, you may apply for the excess Rights Shares with Warrants C by following the same steps as set out in Section 9.5.4 of this AP.

The application for excess Rights Shares with Warrants C will be made on, subject to, the same terms and conditions as set out in Section 9.5.4 of this AP.

Any Rights Shares with Warrants C which are not taken up or not validly taken up by you and/or your renouncee(s)/transferee(s) (if applicable) shall be made available for the Excess Applications. It is the intention of our Board to allot the excess Rights Shares with Warrants C, if any, on a fair and equitable basis and in the priority and basis as detailed in Section 9.8.1 of this AP.

9.9 Procedures to be followed by renouncee(s)/transferee(s)

As a renouncee/transferee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the excess Rights Shares with Warrants C and/or payment is the same as that which is applicable to our Entitled Shareholders as set out in Sections 9.3 to 9.8 of this AP. Please refer to the relevant sections of this AP for the procedures to be followed.

If you wish to obtain a copy of this AP and/or accompanying RSF, you can request the same from our registered office, our Share Registrar's office or Bursa Securities' website at <http://www.bursamalaysia.com>.

RENOUNCEE(S)/TRANSFEREE(S) ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

9.10 Notice of allotment

Within 5 market days after the Closing Date, our Company will make the relevant announcement in relation to the subscription rate of the Rights Issue.

Upon allotment of the Rights Shares with Warrants C in respect of your acceptance and/or your renouncee's/transferee's acceptance (if applicable) and application for excess Rights Shares with Warrants C (if any), the Rights Shares with Warrants C shall be credited directly into the respective CDS Accounts where the Provisional Allotments were credited. No physical share certificate and warrant certificate will be issued in respect of the Rights Issue. However, a notice of allotment will be issued and despatched to you and/or your renouncee(s)/transferee(s) (if applicable) by ordinary post to the address shown in the Record of Depositors of our Company as provided by Bursa Depository at your own risk within 8 market days from the Closing Date or such other period as may be prescribed by Bursa Securities.

Where any application for the Rights Shares with Warrants C is not accepted due to non-compliance with the terms of the Rights Issue or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you. The refund will be credited into your bank account registered with Bursa Depository for the purpose of cash dividend/distribution or by issuance of cheque and will be despatched to you within 15 market days from the Closing Date by ordinary post to the address shown on the Record of Depositors of our Company as provided by Bursa Depository at your own risk.

Please note that a completed RSF and the payment thereof, once lodged with our Share Registrar for the Rights Issue, cannot be withdrawn subsequently.

9.11 Form of issuance

Bursa Securities has prescribed that our Shares and Warrants C to be listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares, Warrants C and the new Shares to be issued arising from the exercise of Warrants C are prescribed securities and as such the provisions of the SICDA and the Rules of Bursa Depository shall apply in respect of the dealings in these securities. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants C. Failure to comply with these specific instructions or inaccuracy of CDS Account number may result in your application being rejected.

Your subscription for the Rights Shares with Warrants C shall signify your consent to receive such Rights Shares with Warrants C as deposited securities that will be credited directly into your CDS Account. No physical share certificate and warrant certificate will be issued in respect of the Rights Issue.

All excess Rights Shares with Warrants C allotted shall be credited directly into the CDS Accounts of successful applicants. If you have multiple CDS Accounts into which the Provisional Allotments have been credited, you cannot use a single RSF to accept all these Provisional Allotments. Separate RSFs must be used for acceptance of Provisional Allotments credited into separate CDS Accounts. If successful, the Rights Shares with Warrants C that you subscribed for will be credited into the CDS Accounts where the Provisional Allotments are standing to the credit.

9.12 Laws of foreign jurisdiction

This AP and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction other than Malaysia, and have not been (and will not be) lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any foreign country jurisdiction other than Malaysia.

The distribution of this AP together with the accompanying NPA and RSF, as well as the acceptance of the Provisional Allotments and the subscription for or the acquisition of the Rights Shares with Warrants C may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain countries or jurisdictions under the relevant laws of those countries or jurisdictions.

This AP, the NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue will not be made or offered or deemed made or offered for acquisition or subscription of any Rights Shares with Warrants C, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue to which this AP relates is only available for our Entitled Shareholders receiving this AP, the NPA and the RSF electronically or otherwise within Malaysia.

As a result, this AP, the NPA and the RSF have not been (and will not be) sent to Foreign Entitled Shareholders. However, Foreign Entitled Shareholders may collect this AP, the NPA and the RSF from our Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, who will be entitled to request such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting this AP, the NPA and the RSF.

Our Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia or an address for service in Malaysia if not otherwise stated in the Record of Depositors of our Company as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. Our Company will assume that the Rights Issue and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue and would not be in breach of the laws of any jurisdiction. Our Company will further assume that you had accepted the Rights Issue in Malaysia and will at all applicable times be subject to the laws of Malaysia.

A Foreign Entitled Shareholder and/or his renounee(s)/transferee(s) (if applicable) may only accept or renounce all or any part of his/their Provisional Allotments and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so, and our Company, our Board and officers, TA Securities and/or the advisers named herein (“**Parties**”) would not, in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to which the Foreign Entitled Shareholder and/or his renounee(s)/transferee(s) (if applicable) is or might be subject to.

A Foreign Entitled Shareholder and/or his renounee(s)/transferee(s) (if applicable) shall be solely responsible to seek advice from his/their legal and/or professional advisers as to whether the acceptance or renunciation in any manner whatsoever of his/their entitlement under the Rights Issue would result in the contravention of the laws of the countries or jurisdictions to which he/they is/are or might be subject to. The Parties shall not accept any responsibility or liability in the event any acceptance or renunciation made by any Foreign Entitled Shareholder and/or his renounee(s)/transferee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction. The Foreign Entitled Shareholder and/or his renounee(s)/transferee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of his/their entitlements or to any net proceeds thereof.

Our Company reserves the right, in our absolute discretion, to treat any acceptances as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of Rights Shares with Warrants C available for Excess Application by other Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable).

Each person, by accepting the delivery of this AP, the NPA and the RSF, accepting any Provisional Allotments by signing any of the forms accompanying this AP or subscribing for or acquiring the Rights Shares with Warrants C, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which our Entitled Shareholder and/or his renounee(s)/transferee(s) (if applicable) is or might be subject to;
- (ii) the Foreign Entitled Shareholder and/or his renounee(s)/transferee(s) (if applicable) has complied with the laws to which the Foreign Entitled Shareholder and/or his renounee(s)/transferee(s) (if applicable) is or might be subject to in connection with the acceptance or renunciation;
- (iii) the Foreign Entitled Shareholder and/or his renounee(s)/transferee(s) (if applicable) is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Allotments, be in breach of the laws of any jurisdiction to which that person is or might be subject to;
- (iv) the Foreign Entitled Shareholder and/or his renounee(s)/transferee(s) (if applicable) is/are aware that the Rights Shares with Warrants C can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any other way in accordance with all applicable laws in Malaysia;
- (v) the Foreign Entitled Shareholder and/or his renounee(s)/transferee(s) (if applicable) has/have obtained a copy of this AP and has/have read and understood the contents of this AP, has/have had access to such financial and other information and has/have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as the Foreign Entitled Shareholder and/or his renounee(s)/transferee(s) (if applicable) deem(s) necessary in connection with the Foreign Entitled Shareholder and/or his renounee’s/transferee’s decision to subscribe for or purchase the Rights Shares with Warrants C; and
- (vi) the Foreign Entitled Shareholder and/or his renounee(s)/transferee(s) (if applicable) has/have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants C, and is/are and will be able, and is/are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants C.

Persons receiving this AP and the accompanying NPA and RSF (including without limitation to custodians, nominees and trustees) must not, in connection with the Rights Issue, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this AP and the accompanying NPA and RSF are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith. Any person who does forward this AP and the accompanying NPA and RSF to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section of this AP and we reserve the right to reject a purported acceptance of the Rights Shares with Warrants C from any such application by Foreign Entitled Shareholders and/or their renounee(s) and/ or transferee(s) (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares with Warrants C as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements in Malaysia. The Rights Shares with Warrants C relating to any acceptance which is treated invalid will be included in the pool of Rights Shares available for Excess Application by other Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable).

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN ENTITLED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS AP AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY COUNTRY OR JURISDICTION OUTSIDE OF MALAYSIA RECEIVING THIS AP AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY RIGHTS SHARES WITH WARRANTS C UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS IN SUCH COUNTRY OR JURISDICTION.

10. TERMS AND CONDITIONS

The issuance of the Rights Shares with Warrants C pursuant to the Rights Issue is governed by the terms and conditions as set out in this AP and the accompanying NPA and RSF as well as the Deed Poll C.

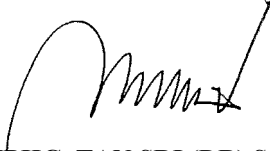
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11. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully

For and behalf of the Board of
DPS RESOURCES BERHAD



YBHG. TAN SRI (DR) SOW CHIN CHUAN
Executive Chairman

INFORMATION ON OUR GROUP**1. BOARD OF DIRECTORS**

The details of our Board as at the LPD are as follows:

<u>Name / (Designation)</u>	<u>Address</u>	<u>Age</u>	<u>Nationality</u>
YBhg. Tan Sri (Dr) Sow Chin Chuan (Executive Chairman)	No. 3, Jalan BJ/25, Taman Bertam Jaya, 75250 Cheng, Melaka	63	Malaysian
Edward Sow Yuen Seng (Managing Director)	No. 3, Jalan BJ/25, Taman Bertam Jaya, 75250 Cheng, Melaka	36	Malaysian
YBhg. Puan Sri Chu Kim Guek (Executive Director)	No. 3, Jalan BJ/25, Taman Bertam Jaya, 75250 Cheng, Melaka	65	Malaysian
Emily Sow Mei Chet (Executive Director)	No. 3, Jalan BJ/25, Taman Bertam Jaya, 75250 Cheng, Melaka	39	Malaysian
Mea Fatt Leong (Independent Non-Executive Director)	No. 26, Jalan Wangsa Mas 1, Bukit Wangsa Mas, 53300 Kuala Lumpur	66	Malaysian
YBhg. Prof Datuk Dr Raduan Che Rose (Independent Non-Executive Director)	No. 4, Jalan 4/3K, Bandar Baru Bangi, 43650 Selangor	62	Malaysian
Dato' Dr. Jalaluddin Bin Harun (Independent Non-Executive Director)	No. 72, Jalan Leong Yew Koh, Taman Tun Dr. Ismail, 60000 Kuala Lumpur	66	Malaysian

2. SHARE CAPITAL

As at the LPD, the issued share capital of our Company is RM72,833,366 comprising 141,064,696 Shares in issue and our Company has 38,852,347 outstanding Warrants B. As at the LPD, our Company does not have any treasury shares or other types of convertible securities.

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INFORMATION ON OUR GROUP (CONT'D)**3. DIRECTORS' SHAREHOLDINGS**

Save as disclosed below, none of our Directors have any direct and/or indirect shareholding in our Company as at the LPD. The pro forma effects of the Rights Issue on the shareholdings of our Directors based on the Record of Depositors as at LPD are as follows:

Minimum Scenario-Rights Issue

Name	As at the LPD				(I) After the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
TSSCC	43,343,106	30.73	2,607,358 ⁽¹⁾	1.85	93,151,336	48.48	3,890,037 ⁽¹⁾	2.02
PSCKG	2,565,358	1.82	43,385,106 ⁽¹⁾	30.76	3,848,037	2.00	93,193,336 ⁽¹⁾	48.50
Edward	-	-	45,908,464 ⁽²⁾	32.54	-	-	96,999,373 ⁽²⁾	50.48
Emily	-	-	45,908,464 ⁽²⁾	32.54	-	-	96,999,373 ⁽²⁾	50.48

Name	(II) After (I) and assuming exercise of Warrants C			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
TSSCC	132,997,920	57.07	4,916,180 ⁽¹⁾	2.11
PSCKG	4,874,180	2.09	133,039,920 ⁽¹⁾	57.09
Edward	-	-	137,872,100 ⁽²⁾	59.17
Emily	-	-	137,872,100 ⁽²⁾	59.17

Notes:

- (1) Deemed interest by virtue of the equity interest in our Company held by his/her spouse and children.
(2) Deemed interest by virtue of the equity interest in our Company held by his/her parents.

INFORMATION ON OUR GROUP (CONT'D)

Maximum Scenario-Rights Issue

Name	As at the LPD				(I) After exercise of Warrants B			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
TSSCC	43,343,106	30.73	2,607,358 ⁽¹⁾	1.85	43,343,106	24.09	2,607,358 ⁽¹⁾	1.45
PSCKG	2,565,358	1.82	43,385,106 ⁽¹⁾	30.76	2,565,358	1.43	43,385,106 ⁽¹⁾	24.11
Edward	-	-	45,908,464 ⁽²⁾	32.54	-	-	45,908,464 ⁽²⁾	25.52
Emily	-	-	45,908,464 ⁽²⁾	32.54	-	-	45,908,464 ⁽²⁾	25.52

Name	(II) After (I) and the Rights Issue				(III) After (II) and assuming exercise of Warrants C			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
TSSCC	65,014,659	24.09	3,911,037 ⁽¹⁾	1.45	82,351,901	24.09	4,953,980 ⁽¹⁾	1.45
PSCKG	3,848,037	1.43	65,077,659 ⁽¹⁾	24.11	4,874,180	1.43	82,431,701 ⁽¹⁾	24.11
Edward	-	-	68,862,696 ⁽²⁾	25.52	-	-	87,226,081 ⁽²⁾	25.52
Emily	-	-	68,862,696 ⁽²⁾	25.52	-	-	87,226,081 ⁽²⁾	25.52

Notes:

- (1) Deemed interest by virtue of the equity interest in our Company held by his/her spouse and children.
(2) Deemed interest by virtue of the equity interest in our Company held by his/her parents.

4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Please refer to Section 7.4 of this AP for the pro forma effects of the Rights Issue on the substantial shareholders' shareholdings in our Company.

INFORMATION ON OUR GROUP (CONT'D)**5. HISTORICAL FINANCIAL INFORMATION**

The following tables set out our Group's key financial information based on our consolidated financial statements for the financial year and periods under review:

(i) Historical financial information

	Audited			Unaudited	
	FYE 2021	FYE 2022	FYE 2023	3M FPE 2022	3M FPE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	78,736	88,070	54,508	15,840	14,521
Gross profit ("GP")	15,804	4,661	9,248	1,975	4,149
Other income / Other operating income	587	5,157	1,201	101	102
Administrative expenses	(3,474)	(4,188)	(5,510)	(1,191)	(1,819)
Distribution costs	(221)	(320)	(713)	(165)	(207)
Net losses on impairment of financial instruments	(403)	(22)	(17)	-	-
Finance costs	(440)	(411)	(1,302)	(121)	(298)
PBT	11,853	4,877	2,906	599	1,927
Taxation	(257)	268	183	-	-
PAT attributable to owners of our Company	11,596	5,145	3,090	599	1,927
Weighted average number of Shares in issue ('000)	614,823	705,323	705,323	705,323	705,323
No. of Shares in issue ('000)	705,323	705,323	705,323	705,323	705,323
Basic EPS ⁽¹⁾ (sen)	1.89	0.73	0.44	0.08	0.27
Diluted EPS ⁽²⁾ (sen)	1.89	0.73	0.44	0.08	0.27
GP margin (%)	20.07	5.29	16.97	11.43	27.15
PBT margin (%)	15.05	5.54	5.33	3.78	13.27
PAT margin (%)	14.73	5.84	5.67	3.78	13.27

(Source: Our Company's annual reports and quarterly results for the financial years and periods under review)

(ii) Historical financial position

	Audited			Unaudited	
	As at 31 March 2021 (RM'000)	As at 31 March 2022 (RM'000)	As at 31 March 2023 (RM'000)	As at 30 June 2022 (RM'000)	As at 30 June 2023 (RM'000)
Total non-current assets	100,101	121,204	121,254	116,049	115,564
Total current assets	90,494	83,419	102,896	96,667	104,889
Total assets	190,595	204,623	224,150	212,716	220,453
Share capital	72,833	72,833	72,833	72,833	72,833
Revaluation reserves	13,996	13,996	13,996	13,996	13,996
Retained earnings	65,322	70,467	73,557	71,067	75,484
Total equity / NA	152,152	157,297	160,386	157,896	162,313
Total non-current liabilities	13,414	19,642	24,616	24,677	24,067
Total current liabilities	25,030	27,684	39,148	30,143	34,073
Total liabilities	38,443	47,326	63,764	54,820	58,140
Total equity and liabilities	190,595	204,623	224,150	212,716	220,453
NA per Share (RM) ⁽³⁾	0.22	0.22	0.23	0.22	0.23

(Source: Our Company's annual reports and quarterly results for the financial years and periods under review)

INFORMATION ON OUR GROUP (CONT'D)**(iii) Historical cash flow**

	Audited			Unaudited	
	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FYE 2023 (RM'000)	3M FPE 2022 (RM'000)	3M FPE 2023 (RM'000)
Net cash used in operating activities	(12,207)	(8,881)	(5,727)	(4,652)	(3,293)
Net cash from/(used in) investing activities	367	767	(5,373)	(223)	(2,485)
Net cash from financing activities	13,121	7,960	10,421	13,178	1,943
Net increase/(decrease) in cash and cash equivalents	1,281	(154)	(679)	8,303	(3,835)
Cash and cash equivalents at beginning of financial year/period	5,688	6,971	6,802	6,802	6,125
Effect of exchange translation differences on cash and cash equivalents	2	(15)	2	-	-
Cash and cash equivalents at the end of financial year/period	6,971	6,802	6,125	15,105	2,290

(Source: Our Company's annual reports and quarterly results for the financial years and periods under review)

Notes:

- (1) Being the PAT attributable to owners of our Company divided by weighted average number of Shares in issue for the financial years and periods under review.
- (2) There are no effects on the diluted EPS for financial years/period under review as the exercise price of the Warrants B are higher than the average market price of Shares during the financial years/period.
- (3) Being the NA of our Group divided by the number of Shares in issue for the financial years and periods under review.

Commentaries:

Our Group is principally involved in 4 business segments namely, manufacturing and trading of furniture; property development and construction; rental of building with comprehensive services which inclusive of factory maintenance and security services; and investment holdings.

(i) FYE 2021 vs FYE 2020

Our Group's revenue for FYE 2021 increased by approximately RM33.50 million (74.05%) to RM78.74 million (FYE 2020: RM45.24 million), mainly contributed by the revenue generated from the following:

- (a) our property development segment of RM57.25 million, construction segment of RM2.14 million as well as property rental segment of RM5.34 million in FYE 2021, an increase of RM36.89 million or 132.52% as compared to revenue of RM27.84 million in FYE 2020, mainly due to:
 - higher sales of units of projects from our property development segment such as Taman Bukit Rambai Putra (Phase I) with a total revenue of RM31.76 million, Taman Bukit Rambai Putra (Phase II) with a total revenue of RM16.50 million, and Taman Seri Tanjong Minyak (Phase III) project with a total revenue of RM2.80 million, which were launched during FYE 2021 as well as Taman Krubong Jaya (Phase II) with a total revenue of RM5.34 million; and
 - revenue from our construction segment for Taman Seri Tanjong Minyak (Phase II) with a total revenue of RM1.81 million and Taman Tanjong Minyak with a total revenue of RM0.32 million; and

INFORMATION ON OUR GROUP (CONT'D)

- (b) our furniture manufacturing and trading segment of RM14.01 million in FYE 2021, a decrease of RM3.39 million or 19.47% as compared to revenue of RM17.40 million in FYE 2020.

Our Group recorded a PBT of RM11.85 million for FYE 2021 (FYE 2020: PBT of RM10.45 million). In FYE 2020, our Group recorded an insurance claims settlement income of RM12.50 million (which is an one-off event*) and if such income is excluded, our Group would have recorded a loss before tax of RM2.05 million.

Our Group recorded cash and cash equivalent of RM6.97 million for FYE 2021 which is mainly due to net cash used in operating activities of RM12.20 million for our property development activities and also cashflow contributed by the proceeds from the private placement of Shares of RM13.87 million.

Note:

* Shantawood had, on 21 December 2012, filed a suit against an insurance company to recover loss and damages suffered by Shantawood due to fire occurred on 9 July 2011 on a factory owned by Shantawood located at Bukit Rambai, Melaka which had damaged part of the factory buildings, plant and machinery, inventories as well as furniture, fittings and equipment. Two of the adjacent buildings also caught fire later respectively on 10 July 2011 and 13 July 2011 due to the spreading of ashes. As a result, an amount of RM33,960,487 and RM3,000,000 in relation to property, plant and equipment and inventories had been written off respectively in FYE 2012. As announced by our Company on 31 December 2019, the parties to the suit had come to a settlement whereby the insurance company has agreed to pay Shantawood a sum of RM12.50 million as full and final settlement.

(ii) FYE 2022 vs FYE 2021

For FYE 2022, our Group's revenue increased by RM9.33 million (11.85%) to RM88.07 million (FYE 2021: RM78.74 million), mainly due to revenue generated from the following:

- (a) our property development segment of RM59.06 million, construction segment of RM1.13 million as well as property rental segment of RM6.03 million in FYE 2022, an increase of RM1.54 million or 2.36% as compared to revenue of RM64.73 million in FYE 2021 mainly due to:
- higher sales on units from the Taman Bukit Rambai Putra (Phase I) with a total revenue of RM31.97 million, Taman Bukit Rambai Putra (Phase II) with a total revenue of RM20.63 million, Taman Seri Tanjung Minyak (Phase III) with a total revenue of RM4.91 million and Taman Seri Tanjung Minyak (Phase IV) with a total revenue of RM1.46 million; and
 - revenue from our construction segment for Taman Seri Tanjung Minyak (Phase II) with a total revenue of RM0.65 million and Taman Nibong Ria with a total revenue of RM0.48 million; and
- (b) our furniture manufacturing and trading segment of RM21.82 million in FYE 2022, an increase of RM7.81 million or 55.71% as compared to revenue of RM14.01 million in FYE 2021 due to increased orders from overseas market (arising from COVID-19 stimulus relief measures of government) and customers for our Group's property development projects.

Despite the increase in revenue, our Group recorded a lower PBT of RM4.88 million for FYE 2022 (FYE 2021: PBT of RM11.85 million), mainly due to:

INFORMATION ON OUR GROUP (CONT'D)

- (a) higher cost of sales of RM83.41 million in FYE 2022 (FYE 2021: RM62.93 million); contributed by higher cost of raw materials due to the increase in the prices of raw materials such as rubberwood, foams and chemicals, the strengthening of the United States Dollars relative to RM and geopolitical tensions arising from Ukraine-Russia war for the manufacturing and trading of furniture segment as well as the property development and construction segment; and
- (b) higher operating expenses in FYE 2022 of RM4.19 million (FYE 2021: RM3.47 million) due to increase in the operating expenses as a result of increase in the input prices arising from global inflation, geopolitical uncertainties and labour shortage.

In line with lower PAT recorded for FYE 2022, our Group recorded a lower cash and cash equivalent of RM6.80 million for FYE 2022 which is also contributed by lower net cash from financing activities in FYE 2022 of RM7.96 million comprise the advance from a director of RM6.00 million and drawdown of term loan of RM2.60 million to support the business operation of our Group.

(iii) FYE 2023 vs FYE 2022

For FYE 2023, our Group's revenue decreased by RM33.56 million (38.11%) to RM54.51 million (FYE 2022: RM88.07 million), mainly due to revenue generated from the following:

- (a) our property development segment of RM20.58 million, construction segment of RM3.59 million as well as property rental segment of RM7.41 million in FYE 2023, a decrease of RM34.43 million or 51.98% as compared to revenue of RM66.25 million in FYE 2022, mainly due to:
- lower sales of units from property development projects such as Taman Bukit Rambai Putra (Phase II) with a total revenue of RM11.46 million, Taman Seri Tanjong Minyak (Phase IV) with a total revenue of RM4.82 million and Taman Bukit Rambai Putra (Phase I) with a total revenue of RM3.73 million; and
 - revenue from our projects of construction segment such as Taman Nibong Ria with a total revenue of RM1.43 million, Lot 2018 & 2019 project located at Bukit Rambai, Melaka with a total revenue of RM1.28 million and Lot 6 project located at Bukit Rambai, Melaka with a total revenue of RM0.77 million; and
- (b) our furniture manufacturing and trading segment of RM22.69 million in FYE 2023, an increase of RM0.87 million or 4.01% as compared to revenue of RM21.82 million in FYE 2022 due to strengthening of United States Dollars relative to RM for revenue denominated in such currency.

For FYE 2023, our Group recorded a lower PBT of RM2.91 million (FYE 2021: RM4.88 million), mainly due to high operating expenses during FYE 2023 as a result of rising labour costs and interest expenses for our Group's business operations.

In line with lower PAT recorded for FYE 2023, our Group recorded cash and cash equivalent of RM6.13 million for FYE 2023 which is also caused by net cash used in investing activities of RM5.38 million arising from the acquisition of property, plant and equipment of RM3.69 million mainly for the furniture manufacturing and trading segment and RM1.80 million placement of fixed deposits as well as net cash from financing activities of RM10.42 million mainly due to drawdown of bank borrowings of RM9.50 million in FYE 2023 to support the business operation of our Group.

(iv) 3M FPE 2023 vs 3M FPE 2022

Our Group recorded a lower revenue of RM14.52 million for 3M FPE 2023 (3M FPE 2022: RM15.84 million), mainly due to revenue generated from the following:

INFORMATION ON OUR GROUP (CONT'D)

- (a) our property development segment of RM4.73 million, construction segment of RM2.19 million as well as property rental segment of RM2.55 million in 3M FPE 2023, an increase of RM1.88 million or 24.77% as compared to revenue of RM7.59 million in 3M FPE 2022 mainly due to:
- sales of units from property development projects such as Taman Bukit Rambai Putra (Phase I) with a total revenue of RM2.93 million, Taman Seri Tanjong Minyak (Phase IV) with a total revenue of RM 1.21 million and Taman Bukit Rambai Putra (Phase II) with a total revenue of RM0.33 million; and
 - revenue from our construction segment such as Taman Nibong Ria with a total revenue of RM1.49 million, Lot 2018 & 2019 project located at Bukit Rambai, Melaka with a total revenue of RM0.33 million and Lot 4 project located at Bukit Rambai, Melaka with a total revenue of RM0.24 million; and
- (b) our furniture manufacturing and trading segment of RM5.06 million in 3M FPE 2023, a decrease of RM3.19 million or 38.74% as compared to revenue of RM8.25 million in 3M FPE 2022 due to lower customer order.

Our Group recorded higher PBT for 3M FPE 2023 of RM1.93 million (3M FPE 2022: RM0.60 million), mainly due to better control of material and labour cost and strengthening of United States Dollar from the sales of furniture to overseas market resulted in higher GP.

Our Group recorded significant lower cash and cash equivalent of RM2.29 million for 3M FPE 2023 as compared to 3M FPE 2022 of RM15.11 million which is mainly due to cash generated from financing activities of RM13.18 million from drawdown of bank borrowing of RM9.50 million during 3M FPE 2022 to support the business operation of our Group.

For all the financial years and periods under review, our Group has recorded net cash used in operating activities, mainly due to higher cash flow used in various property development projects.

6. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted prices of our Shares for the past 12 months are as follows:

	Highest (RM)	Lowest (RM)
2022		
November	0.425	0.325
December	0.450	0.375
2023		
January	0.450	0.375
February	0.450	0.400
March	0.425	0.375
April	0.500	0.375
May	0.500	0.450
June	0.500	0.450
July	0.450	0.370
August	0.495	0.390
September	0.620	0.470
October	0.665	0.585
Last transacted market price for our Shares on 27 October 2022 (being the last trading date prior to the announcement in relation to the Corporate Exercises on 28 October 2022 and after adjustment for the Share Consolidation) (RM)	0.4000	
Last transacted market price for our Shares as at the LPD (RM)	0.6350	
Last transacted market price for our Shares on 7 November 2023 (being the market day prior to the ex-date for the Rights Issue)	0.5700	

(Source: Bloomberg Finance L.P.)

INFORMATION ON OUR GROUP (CONT'D)**7. OPTION TO SUBSCRIBE FOR SHARES**

As at the LPD, save for the Provisional Allotments, excess Rights Shares with Warrants C and the 38,852,347 outstanding Warrants B with an exercise price of RM0.50 each, no option to subscribe for our Shares has been granted or is entitled to be granted to any person.

8. MATERIAL CONTRACTS

As at the LPD, save for the Deed Poll C and the supplemental deed poll dated 29 August 2022 to supplement the Deed Poll B, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business of our Group) during the 2 years immediately preceding the date of this.

9. MATERIAL LITIGATION

As at the LPD, save as disclosed below, our Board confirms that neither our Company nor our subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Company and our Group and our Board confirms that there is no proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of our Group:

**(i) Shantawood v HSBC Amanah Takaful (Malaysia) Sdn Bhd
HSBC Amanah Takaful (Malaysia) Sdn Bhd v Shantawood**

These are appeal cases brought separately by Shantawood on 10 March 2020 and HSBC Amanah Takaful (Malaysia) Sdn Bhd (“**HSBC Takaful**”) on 17 March 2020 against the Court order dated 28 February 2020 (“**Court Order**”), where the Court has granted its judgement partly in favour of Shantawood and the others in favour of HSBC Takaful.

The original suit was brought by Shantawood (as a plaintiff) on 6 July 2017 against HSBC Takaful in relation to the insurance claims submitted by Shantawood to HSBC Takaful following a fire incident at Shantawood’s factory where Shantawood claimed for compensation under the 3 insurance policies certificates. HSBC Takaful has pleaded, amongst others, breach of contract and repudiation of the contract on the grounds of non-disclosure of a material fact and/or false representation of material facts under the insurance policies.

Through the Court Order, the Court had allowed 1 out of 3 insurance claims in favour of Shantawood in the sum of RM1,716,362.63 together with interest of 5% per annum from the date of filing the suit until the date of full settlement whilst the other 2 insurance claims were dismissed by the Court, and it was granted in favour of HSBC Takaful.

The hearing date for the appeal initially fixed on 20 October 2023 was adjourned by the Court to 28 November 2023.

The solicitors acting for the case opined that there is only a 50% chance of success for both appeal cases. Our Management is of the view that the suit will not have a material adverse effect on our Group’s business or financial position, nor will it have a material impact on our Group’s finances or operations as the financial loss caused by the fire incident has been recorded in the financial statement of our Group in FYE 2012.

INFORMATION ON OUR GROUP (CONT'D)

(ii) Shantawood v Liang Soon Properties Sdn Bhd

On 13 July 2021, Shantawood (being the plaintiff) filed a Writ and Statement of Claim against Liang Soon Properties Sdn Bhd (being the defendant) to declare that the termination of the sale and purchase of 2 parcels of land held under GM 112 Lot 337 and Geran 5396 Lot 332, all within Mukim Rembia District of Alor Gajah Melaka, measuring approximately 22.85 acres (“**Land**”), by Liang Soon Properties Sdn Bhd was unlawful.

Shantawood is seeking the following claims from Liang Soon Properties Sdn Bhd:

- (a) A declaration that the termination of the sale and purchase of the Lands via Liang Soon Properties Sdn Bhd’s letter dated 8 December 2020 was invalid and unlawful;
- (b) Consequently, an order from the Court to Liang Soon Properties Sdn Bhd to execute the sale and purchase agreement and complete the sale of the Lands within 7 days from the date of the Order;
- (c) damages arising from the loss of profits and opportunities to be assessed by the Court;
- (d) costs and such other relief as the Court deems fit.

In Liang Soon Properties Sdn Bhd’s Statement of Defence, inter alia, claimed that there was no acceptance on its part as parties could not reach an agreement on the terms, particularly the land acquisition clause and therefore, the termination was valid.

The parties then attempted for mediation in November 2021 but it was unsuccessful.

The above matter is currently fixed for trial from 1 and 2 April 2024.

The solicitors acting for this matter are of the view that if Shantawood’s claim is not dismissed, the Court would award the cost against the plaintiff to be paid to the defendant. Our Management is unable to estimate the cost to be paid to the defendant at this juncture as it can only be assessed by the Court if the case is dismissed. Our Management is of the view that the suit if dismissed by the Court, will not have a material adverse effect on our Group’s business or financial position, nor will it have a material impact on our Group’s finances or operations as the Group has other properties to develop.

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ADDITIONAL INFORMATION

1. CONSENTS

The Principal Adviser, Company Secretary, Due Diligence Solicitors, Share Registrar have each given and have not subsequently withdrawn their consents to the inclusion in this AP of their names and all references thereto in the form and context in which they are included in this AP.

Bloomberg Finance L.P. has given and has not subsequently withdrawn its written consent to the inclusion in this AP of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data are included in this AP.

2. RESPONSIBILITY STATEMENT

This AP together with its accompanying documents have been seen and approved by our Board and our Directors collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

TA Securities, being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning this Rights Issue.

3. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Unit No. EL-11-01, Amcorp Business Suite, Menara Melawangi, Pusat Perdagangan Amcorp, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for a period of 6 months from the date of this AP:

- (i) our Constitution;
- (ii) the Undertakings as referred to in Section 2.4 of this AP;
- (iii) the material contracts as referred to in Appendix I, Section 8 of this AP; and
- (iv) the letters of consent as referred to in Appendix II, Section 1 of this AP.

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STATUS OF PROPERTY DEVELOPMENT PROJECTS OF OUR GROUP

As at the LPD, other than the property development project of Taman Bukit Rambai Putra (Phase III) with details set out in Section 3 of this AP, our Group has the following other on-going property development projects in Malaysia:

(i) Cadangan Pembangunan Perumahan Di Atas Hakmilik Tanah GMM 356 Lot 837, Mukim Tanjong Minyak, Daerah Melaka Tengah, Melaka Bandaraya Bersejarah	
Description	: Development of 25 units of double storey terrace house
Location	: Mukim Tanjong Minyak
Estimated GDV	: RM8.55 million
Estimated GDC	: RM4.94 million, of which RM4.22 million had been incurred as at the LPD and the remaining RM0.72 million to be incurred
Estimated gross development profit	: RM3.61 million
Commencement date	: 1 May 2021
Expected completion date	: 30 November 2023
Percentage of completion as at the LPD	: 91%
Take-up rate as at the LPD	: 100%

(ii) Cadangan Perumahan Di Atas Hakmilik Tanah PM 7 Lot 494, Mukim Krubong, Daerah Melaka Tengah, Melaka	
Description	: Development of 16 units of double storey terrace house and 8 units of double storey semi-detached house
Location	: Mukim Krubong
Estimated GDV	: RM11.31 million
Estimated GDC	: RM6.25 million, of which RM2.39 million had been incurred as at the LPD and the remaining RM3.86 million to be incurred
Estimated gross development profit	: RM5.06 million
Commencement date	: 7 November 2022
Expected completion date	: 7 May 2025
Percentage of completion as at the LPD	: 38.3%
Take-up rate as at the LPD	: 19%

(iii) Cadangan Pembangunan Perumahan Di Atas Hakmilik GMM 761, Lot 18564, Mukim Krubong, Daerah Melaka Tengah, Melaka Bandaraya Bersejarah	
Description	: Development of 29 units of double storey terrace house
Location	: Mukim Krubong
Estimated GDV	: RM10.17 million
Estimated GDC	: RM6.48 million, of which RM0.52 million had been incurred as at the LPD and the remaining RM5.96 million to be incurred
Estimated gross development profit	: RM3.69 million
Commencement date	: 11 November 2022
Expected completion date	: 11 November 2025
Percentage of completion as at the LPD	: 8%
Take-up rate as at the LPD	: 3%

STATUS OF PROPERTY DEVELOPMENT PROJECTS OF OUR GROUP (CONT'D)

(iv) Cadangan Pembangunan Perumahan Di Atas Hakmilik Tanah GMM 143, Lot 586, Mukim Durian Tunggal, Alor Gajah, Hang Tuah Jaya, Melaka	
Description	: Development of 22 units of double storey terrace house
Location	: Mukim Durian Tunggal
Estimated GDV	: RM9.40 million
Estimated GDC	: RM5.38 million, of which RM0.38 million had been incurred as at the LPD and the remaining RM5.00 million to be incurred
Estimated gross development profit	: RM4.02 million
Commencement date	: 3 October 2022
Expected completion date	: 29 November 2024
Percentage of completion as at the LPD	: 7%
Take-up rate as at the LPD	: Nil
(v) Cadangan Pembangunan Perumahan Di Atas Hakmilik Tanah GMM 4113 Lot 8241, Mukim Bukit Rambai, Daerah Melaka Tengah, Melaka Bandaraya Bersejarah	
Description	: Development of 24 units of semi-detached house and 1 unit of double storey bungalow
Location	: Mukim Bukit Rambai
Estimated GDV	: RM11.02 million
Estimated GDC	: RM6.41 million, of which RM1.03 million had been incurred as at the LPD and the remaining RM5.38 million to be incurred
Estimated gross development profit	: RM4.61 million
Commencement date	: 3 August 2022
Expected completion date	: 3 August 2025
Percentage of completion as at the LPD	: 16%
Take-up rate as at the LPD	: 19%
(vi) Cadangan Pembangunan Perumahan Di Atas Hakmilik Tanah GMM 1035, Lot 2800, Mukim Bukit Lintang, Daerah Melaka Tengah, Melaka Bandaraya Bersejarah	
Description	: Development of 16 units of double storey terrace houses
Location	: Mukim Bukit Lintang
Estimated GDV	: RM6.17 million
Estimated GDC	: RM3.78 million, of which RM0.26 million had been incurred as at the LPD and the remaining RM3.52 million to be incurred
Estimated gross development profit	: RM2.39 million
Commencement date	: 1 June 2023
Expected completion date	: 30 May 2025
Percentage of completion as at the LPD	: 7%
Take-up rate as at the LPD	: Nil

STATUS OF PROPERTY DEVELOPMENT PROJECTS OF OUR GROUP (CONT'D)

(vii) Cadangan Pembangunan Perumahan Di Atas Hakmilik Tanah GMM 351 Lot 282, Mukim Klebang Kechil, Dearah Melaka Tengah, Melaka Bandaraya Bersejarah		
<i>Description</i>	:	<i>Development of 30 units of double storey terrace houses</i>
<i>Location</i>	:	<i>Mukim Klebang</i>
<i>Estimated GDV</i>	:	<i>RM13.85 million</i>
<i>Estimated GDC</i>	:	<i>RM8.05 million, of which RM0.80 million had been incurred as at the LPD and the remaining RM7.25 million to be incurred</i>
<i>Estimated gross development profit</i>	:	<i>RM5.80 million</i>
<i>Commencement date</i>	:	<i>1 August 2023</i>
<i>Expected completion date</i>	:	<i>31 July 2025</i>
<i>Percentage of completion as at the LPD</i>	:	<i>10%</i>
<i>Take-up rate as at the LPD</i>	:	<i>Nil</i>

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