NOT FOR PUBLICATION OR DISTRIBUTION OUTSIDE MALAYSIA.

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF MR D.I.Y. GROUP (M) BERHAD ("MDGM" OR "COMPANY") DATED 6 OCTOBER 2020 ("ELECTRONIC PROSPECTUS")

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

Website

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

Availability and Location of Printed Prospectus

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

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

Jurisdictional Disclaimer

The IPO and the distribution of the Electronic Prospectus are subject to the laws of Malaysia. The Electronic Prospectus will not be distributed outside Malaysia. Bursa Securities, the Company, the Promoters, the Selling Shareholders, the Joint Principal Advisers, the Joint Global Coordinators, the Joint Bookrunners, the Joint Managing Underwriters and the Joint Underwriters named in the Electronic Prospectus have not authorised and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. The Electronic Prospectus may not be used for the purpose of and does not constitute an offer for the subscription or purchase of, or an invitation to subscribe for or purchase, the IPO Shares to any person outside Malaysia or in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. Prospective applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves, and to observe such restrictions.

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

Close of Application

Applications for the IPO Shares offered under the Retail Offering will open at 10.00 a.m. on 6 October 2020 and will close at 5.00 p.m. on 14 October 2020. Any change to the timetable will be advertised by MDGM in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

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

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

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

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

MR.D.I.Y.

Always Low Prices

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

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

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

MR DIY mrdiy.com

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

MR.D.I.Y. Always Low Prices

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

PROSPECTUS
THIS PROSPECTUS IS DATED
6 OCTOBER 2020

P R O S P E C T U S

THIS PROSPECTUS IS DATED 6 OCTOBER 2020

MR.D.I.Y.

Always Low Prices

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

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

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

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

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

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

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

(B) THE INSTITUTIONAL PRICE.

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

CIMB

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

Maybank Investment Bank

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

Joint Global Coordinators and Joint Bookrunners (in alphabetical order)

CREDIT SUISSE

Credit Suisse Securities (Malaysia) Sdn Bhd
(Company No. 199901024709 (499609-H))

Credit Suisse (Singapore) Limited
(Company Registration No.: 197702363D)

J.P.Morgan

JPMorgan Securities (Malaysia) Sdn Bhd
(Company No. 197401001095 (18146-X))

J.P. Morgan Securities plc
(Company Registration No.: 2711006)

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

RHB InvestmentBank

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

Joint Bookrunner

UBS

UBS Securities Malaysia Sdn Bhd
(Company No. 199201022321 (253825-X))

UBS AG, Singapore Branch
(Company Registration No.: S98FC5560C)

Joint Underwriters (in alphabetical order)

AmInvestment Bank

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

HongLeong Investment Bank

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

Kenanga

Kenanga Investment Bank Berhad
(Company No. 197301002193 (15678-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

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

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

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

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

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

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

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA

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

RESPONSIBILITY STATEMENTS

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

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

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

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

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

Our Company has obtained the approval of Bursa Securities for our Listing. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

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

OTHER STATEMENTS

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission, or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to our Company.

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

Our Shares are classified as Shariah-compliant by the SAC. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the SAC. The new status is released in the updated list of Shariah-compliant securities, on the last Friday of May and November.

Investors should not take the agreement by the Joint Managing Underwriters and the Joint Underwriters named in this Prospectus to underwrite our Shares under the Retail Offering as an indication of the merits of our Shares being offered.

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

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

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

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

It will be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subject. We will further assume that you had accepted our IPO in Malaysia and will be subject to the laws of Malaysia in connection with it.

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

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

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

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

ELECTRONIC PROSPECTUS/INTERNET SHARE APPLICATION

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

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

The internet is not a fully secure medium. Your Internet Share Application may be subject to risks of data transmission, computer security threats including viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions. These risks cannot be borne by the Internet Participating Financial Institutions. If you doubt the validity or integrity of the Electronic Prospectus, you should immediately request from us or the Issuing House, a paper/printed copy of this Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC will prevail.

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

(i) we do not endorse and are not affiliated in any way to the Third-Party Internet Sites. Accordingly, we are not responsible for the availability of or the content or any data, file or other material provided on the Third-Party Internet Sites. You bear all risks associated with the access to or use of the Third-Party Internet Sites;

(ii) we are not responsible for the quality of products or services in the Third-Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third-Party Internet Sites. We are also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, file or other material provided by such parties; and

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

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

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

(b) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium; and

(c) the Internet Participating Financial Institution is not liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institution, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

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

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

Note:

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

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

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

FORWARD-LOOKING STATEMENTS

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

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

(ii) our strategies and competitive position;

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

(iv) potential growth opportunities; and

(v) regulatory environment and the effects of future regulation.

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

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

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

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

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

(v) reliance on licences, permits and approvals;

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

(vii) continued availability of capital and financing;

(viii) fixed or contingent obligations and commitments;

(ix) changes in accounting standards and policies; and

(x) other factors beyond our control.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 5 of this Prospectus on "Risk Factors" and Section 12.2 of this Prospectus on "Management's Discussion and Analysis of Financial Condition and Results of Operations". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the LPD.

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

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

DEFINITIONS

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

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

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

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

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

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

DEFINITIONS *(Cont'd)*

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

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

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

Currencies

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

Subsidiaries

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

DEFINITIONS *(Cont'd)*

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

Associate

Qube	:	Qube Apps Solutions Sdn Bhd

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

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

AUDIT AND RISK MANAGEMENT COMMITTEE

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

1. CORPORATE DIRECTORY *(Cont'd)*

NOMINATION AND REMUNERATION COMMITTEE

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

CORPORATE RESPONSIBILITY COMMITTEE

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

COMPANY SECRETARIES :

Wong Mun Sin
No. 18-1, Jalan PJU 3/33
Parkville Townhouse
Sunway Damansara
47810 Petaling Jaya
Selangor

Professional qualification:
Malaysian Institute of Chartered Secretaries and Administrators
(Licence No.: MAICSA 7025509)
(SSM PC No.: 202008000876)

Joanne Toh Joo Ann
19, Jalan Pandan Indah 5/5
Pandan Indah
55100 Kuala Lumpur

(Licence No.: LS 0008574)
(SSM PC No.: 202008001119)

REGISTERED OFFICE :

Unit 30-01, Level 30
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel. No.: +603 2783 9191

HEAD/MANAGEMENT OFFICE :

Lot 1907
Jalan KPB 11
Kawasan Perindustrian Balakong
43300 Seri Kembangan
Selangor
Tel. No.: +603 8961 1338
Website: www.mrdiy.com
E-mail: investor.query@mrdiy.com

SELLING SHAREHOLDERS :

Mr D.I.Y. Holdings (M) Sdn Bhd
Unit 30-01, Level 30
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Hyptis Limited
Tortola Pier Park, Building 1
Wickhams Cay I, 2nd Floor Road
Town, Tortola
British Virgin Islands

1. CORPORATE DIRECTORY *(Cont'd)*

SELLING SHAREHOLDERS *(Cont'd)* :

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. CORPORATE DIRECTORY *(Cont'd)*

SELLING SHAREHOLDERS *(Cont'd)*	:	**Ong Chu Jin Adrian** 20, Elitis Maya, Valencia 47000 Sungai Buloh Selangor
AUDITORS AND REPORTING ACCOUNTANTS	:	**BDO PLT** Level 8, BDO @ Menara CenTARa 360 Jalan Tuanku Abdul Rahman 50100 Kuala Lumpur Tel. No.: +603 2616 2888 Partner-in-charge: Tang Seng Choon Professional qualification: Member of MIA (MIA membership No.: 7651)
JOINT PRINCIPAL ADVISERS *(in alphabetical order)*	:	**CIMB Investment Bank Berhad** 17th Floor, Menara CIMB No. 1, Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel. No.: +603 2261 8888 **Maybank Investment Bank Berhad** 32nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. No.: +603 2059 1888
JOINT MANAGING UNDERWRITERS AND JOINT UNDERWRITERS *(in alphabetical order)*	:	**CIMB Investment Bank Berhad** 17th Floor, Menara CIMB No. 1, Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel. No.: +603 2261 8888 **Maybank Investment Bank Berhad** 32nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. No.: +603 2059 1888 **RHB Investment Bank Berhad** Level 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: +603 9287 3888
JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS *(in alphabetical order)*	:	**CIMB Investment Bank Berhad** 17th Floor, Menara CIMB No. 1, Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel. No.: +603 2261 8888 **Credit Suisse Securities (Malaysia) Sdn Bhd** Suite 7.6, Level 7, Menara IMC 8 Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: +603 2723 2020 **Credit Suisse (Singapore) Limited** 1 Raffles Link #03/#04-01 South Lobby Singapore 039393 Tel. No.: +65 6212 2000 **JPMorgan Securities (Malaysia) Sdn Bhd** Level 18, Integra Tower The Intermark 348, Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: +603 2718 0679 **J.P. Morgan Securities plc** 25, Bank Street, Canary Wharf London, United Kingdom E145JP Tel. No.: +44 20777 72000 **Maybank Investment Bank Berhad** 32nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. No.: +603 2059 1888

1. CORPORATE DIRECTORY *(Cont'd)*

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

1. CORPORATE DIRECTORY *(Cont'd)*

INDEPENDENT MARKET RESEARCHER	:	**Frost & Sullivan GIC Malaysia Sdn Bhd** Suite C-11-02, Block C Plaza Mont' Kiara 2, Jalan Kiara, Mont Kiara 50480 Kuala Lumpur Tel. No.: +603 6204 5800 Name of signing partner: June Liang Pui San *(See Section 8 of this Prospectus for the profile of the firm and signing partner)*
SHARE REGISTRAR AND ISSUING HOUSE	:	**Tricor Investor & Issuing House Services Sdn Bhd** Unit 32-01, Level 32, Tower A Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel. No.: +603 2783 9299
LISTING SOUGHT	:	Main Market of Bursa Securities
SHARIAH STATUS	:	Approved by the SAC

2. INTRODUCTION

2.1 APPROVALS AND CONDITIONS

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

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

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

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

Notes:

* Negligible.

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

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

(3) Assuming:

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

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

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

2. INTRODUCTION *(Cont'd)*

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

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

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

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

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

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

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

2.2 MORATORIUM ON OUR SHARES

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

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

Notes:

* Negligible.

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

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

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

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

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

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

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

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

3. PROSPECTUS SUMMARY

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

3.1 PRINCIPAL DETAILS OF OUR IPO

3.1.1 Institutional Offering

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

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

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

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

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

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

3.1.2 Retail Offering

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

(i) Allocation to the Eligible Persons

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

(ii) Allocation via balloting to the Malaysian Public

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

3.1.3 Moratorium on our Shares

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

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

3.2 HISTORY AND BUSINESS

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

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

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

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

3.3 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

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

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

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

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

(iii) Effective cost management through a lean operating structure

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

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

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

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

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

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

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

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

3.4 IMPACT OF THE COVID-19 PANDEMIC

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

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

3.5 FUTURE PLANS AND STRATEGIES

Our future plans and strategies are as follows:

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

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

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

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

(iii) Expand into new retail formats

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

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

3.6 DIRECTORS AND KEY SENIOR MANAGEMENT

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

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

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

3.7 USE OF PROCEEDS

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

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

Note:

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

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

3.8 DIVIDEND POLICY

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

3.9 RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.10 FINANCIAL AND OPERATIONAL HIGHLIGHTS

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

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

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

Notes:

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

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

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

Notes:

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

3.11 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

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

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

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

Notes:

* Negligible.

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

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

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

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

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

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

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

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

4. DETAILS OF OUR IPO

4.1 INDICATIVE TIMETABLE

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

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

Note:

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

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

4.2 PARTICULARS OF OUR IPO AND PLAN OF DISTRIBUTION

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

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

4.2.1 Pre-IPO Exercise

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

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

The Share Issuance and the Subdivision involve the following:

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

Notes:

* Negligible

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

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

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

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

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

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

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

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

4.2.2 Institutional Offering

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

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

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

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

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

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

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

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

4.2.3 Retail Offering

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

(i) Allocation to the Eligible Persons

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

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

Notes:

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

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

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

(ii) Allocation via balloting to the Malaysian Public

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

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

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

Notes:

* Negligible

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

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

4.2.4 Clawback and reallocation

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

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

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

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

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

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

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

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

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

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

(c) thirdly, to minimise odd lots.

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

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

4.2.5 ESOS

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

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

The salient features of the ESOS are as follows:

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

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

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

(ii) Basis of allocation and maximum allowable allocation

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

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

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

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

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

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

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

(iii) Duration of the ESOS

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

(iv) Eligibility

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

(a) has attained 18 years of age;

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

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

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

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

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

(v) Exercise price

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

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

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

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

(vi) Trust

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note:

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

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

4.2.6 Classes of shares and ranking

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

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

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

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

At every general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy or by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held or represented. A proxy may but need not be a member of our Company.

4.2.7 Share capital

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

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

Note:

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

4.2.8 Priority of the offering

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

4.2.9 Minimum subscription level

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

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

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

4.3 SELLING SHAREHOLDERS

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

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

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

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

Notes:

* Negligible.

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

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

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

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

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

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

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

4.4.1 Retail Price

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

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

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

(iii) Our competitive strengths, being that:

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

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

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

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

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

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

(iv) Our strategies and future plans:

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

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

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

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

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

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

(i) the Retail Price; or

(ii) the Institutional Price.

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

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

4.4.2 Institutional Price

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

4.4.3 Refund mechanism

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

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

4.4.4 Expected market capitalisation

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

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

4.5 DILUTION

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

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

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

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

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

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

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

Notes:

* Negligible

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

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

4.6 USE OF PROCEEDS

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

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

Note:

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

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

4.6.1 Repayment of bank borrowings

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

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

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

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

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

4.6.2 Defray listing expenses

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

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

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

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

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

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

4.7 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.7.1 Brokerage fee

We will pay brokerage in respect of our Issue Shares under the Retail Offering at the rate of 1.0% (exclusive of applicable tax) of the Final Retail Price in respect of all successful applications which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

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

4.7.2 Underwriting commission

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

4.7.3 Placement fee

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

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

4.8.1 Underwriting

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.8.2 Placement

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

4.8.3 Lock-up arrangement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET

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

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

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market.

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

(i) to facilitate a share buy-back;

(ii) to facilitate conversion of debt securities;

(iii) to facilitate company restructuring process;

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

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

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

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

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

5. RISK FACTORS

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

5.1 RISKS RELATING TO OUR BUSINESS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.2 RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

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

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

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

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

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

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

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

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

5.3 RISKS RELATING TO THE COUNTRIES WHERE WE OPERATE

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

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

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

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

(iii) transportation and freight delays;

(iv) power and other utility shutdowns or shortages;

(v) limitations on foreign investment;

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

(vii) changes in local labour conditions;

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

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

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

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

(i) production safety, health and supervision;

(ii) environmental protection;

(iii) direct and indirect taxes;

(iv) subsidies;

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

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

(vii) intellectual property protection;

(viii) labour protection and human rights compliance;

(ix) anti-competition laws;

(x) anti-corruption laws;

(xi) anti-money laundering laws; and

(xii) privacy and data protection.

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

5.4 RISKS RELATING TO OUR SHARES

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

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

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

5.4.2 Our Share price and trading volume may be volatile.

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

(i) general market, political and economic conditions;

(ii) trading liquidity of our Shares;

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

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

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

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

(vii) general operational and business risks.

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

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

5.4.3 We may not be able to pay dividends.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This Prospectus contains forward-looking statements. All statements, other than statements of historical facts, included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Group for future operations are forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such factors include, among others, general economic and business conditions, competition, the impact of new laws and regulations affecting our industry and government initiatives. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, including COVID-19 related factors, risks and challenges, which may cause our actual results, performance or achievements of our Group, or industry results, to be materially different from any future results, performance, achievements or industry results expressed or implied by such forward-looking statements.

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

6. INFORMATION ON OUR GROUP

6.1 OUR COMPANY

6.1.1 History and background

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

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

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

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

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

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

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

6.1.2 Share capital

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

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

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

Notes:

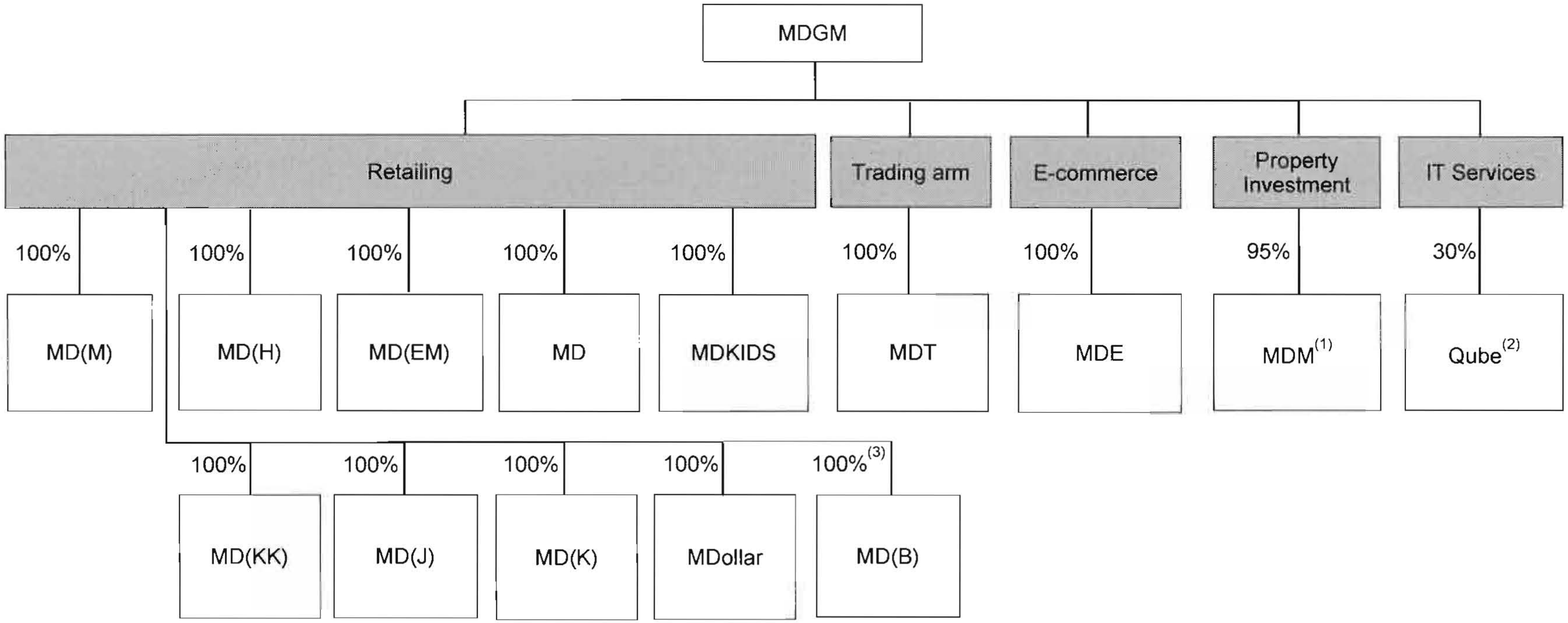
(1) Pursuant to the Share Issuance.

(2) Pursuant to the Subdivision.

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

6.2 OUR GROUP STRUCTURE

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



Notes:

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

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

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

6.3 OUR SUBSIDIARIES AND ASSOCIATE

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

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

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

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

6.3.1 Information on MD

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

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

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

6.3.2 Information on MD(B)

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

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

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

6.3.3 Information on MDE

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

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

6.3.4 Information on MD(EM)

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

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

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

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

6.3.5 Information on MD(H)

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

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

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

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

6.3.6 Information on MD(J)

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

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

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

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

6.3.7 Information on MD(K)

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

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

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

6.3.8 Information on MDKIDS

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

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

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

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

6.3.9 Information on MD(KK)

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

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

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

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

6.3.10 Information on MD(M)

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

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

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

6.3.11 Information on MDollar

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

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

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

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

6.3.12 Information on MDT

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

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

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

6.3.13 Information on MDM

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

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

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

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

6.3.14 Information on Qube

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

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

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

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

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

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

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

During the last financial year up to the LPD, there were no:

(i) public take-over offers by third parties in respect of our Shares; and

(ii) public take-over offers by our Company in respect of other companies' securities.

7. BUSINESS OVERVIEW

7.1 OVERVIEW

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

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

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

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

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

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

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

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

7.2 COMPETITIVE STRENGTHS, FUTURE PLANS AND STRATEGIES

7.2.1 Competitive strengths

Our competitive strengths are as follows:

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

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

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

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

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

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

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

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

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

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

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

(iii) Effective cost management through a lean operating structure

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7.2.2 Our future plans and strategies

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

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

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

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

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

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

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

(iii) Expand into new retail formats

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

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

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

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

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

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

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

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

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

7.3 KEY MILESTONES

The following table summarises our key milestones.

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

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

7.4 OUR BUSINESS

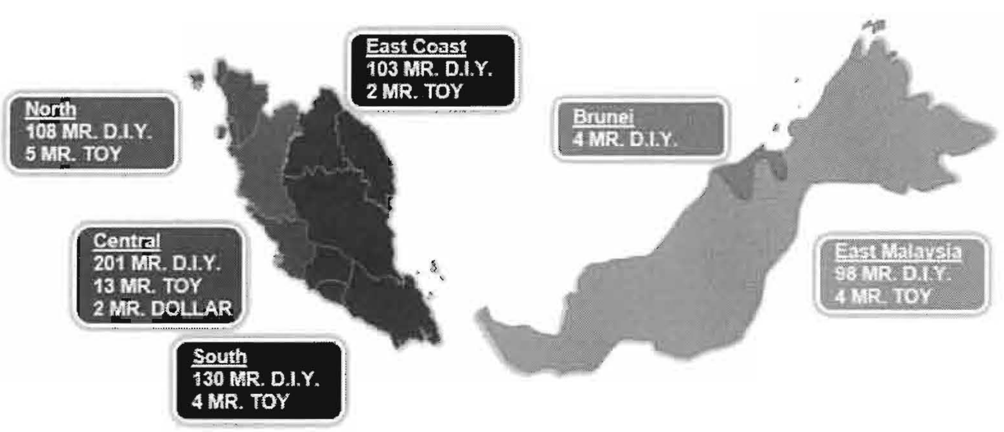
7.4.1 Our stores

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

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

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

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



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

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

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

Note:

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

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

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

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

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

Notes:

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

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

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

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

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

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

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

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

(9) Excludes one store that we relocated.

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

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

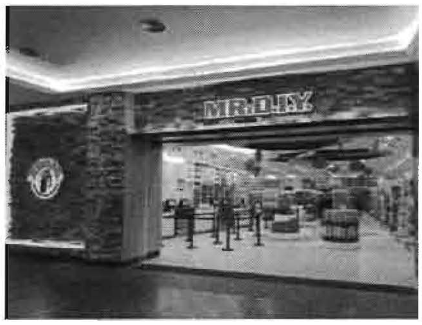
Our retail mall-based stores occupy a dedicated shop space within the premises of retail consumer buildings, such as shopping malls and business parks. We also have a number of retail mall-based stores located within, or adjacent to, the premises of supermarkets and hypermarkets owned and operated by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

Retail Mall-Based Store

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

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

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



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

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

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

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

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

Standalone Shopfront Store

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

(ii) Typically at street level.

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

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

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

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

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

Note:

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

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

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

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

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

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

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

Notes:

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

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

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

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

7.4.2 Store opening process

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

Site identification and preliminary site assessment

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

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

Physical site visit

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

Site implementation

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

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

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

7.4.3 Store design, layout and presentation

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

7.4.4 Store operations

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

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

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

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

7.4.5 Store maintenance and performance assessment

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

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

7.4.6 E-commerce

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

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

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

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

7.4.7 Our products

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

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

(i) Third party branded products

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

(ii) White-label products

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

(iii) Product selection and product mix

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

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

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

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

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

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

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

Others. We carry a wide range of other products, including toys, car accessories, jewellery, cosmetics and food and beverage items.

The product offering of our "MR. DOLLAR" stores focuses on food and beverage items, such as chocolates, candy, snacks and biscuits. As at the LPD, the food and beverage products carried by our "MR. DOLLAR" stores have an average shelf life of more than a year.

7.5 PRICING

Our pricing strategy is designed to provide our customers with an attractive price-to-quality product offering. Our products are selected to appeal to a wide range of consumers, and are competitively priced and affordable to mass-market consumers. We are able to offer affordable prices partly due to our disciplined procurement process, which sets out purchasing parameters for our procurement team based on pricing expectations and optimal margins for our products. We continually monitor market prices and trends for our products and implement appropriate adjustments to our prices and implement price promotions as and when necessary to maintain the competitiveness of our product pricing. From time to time, we also offer discounted pricing on certain of our products in order to drive the sales of a product.

We generally maintain consistent pricing for our products across our stores. However, the prices of locally-sourced products may differ between stores primarily as a result of varying logistics and distribution costs of stocking those stores with such products.

In FYE 31 December 2019 and FPE 30 June 2020, the average value of a transaction at our stores was RM22.2 and RM25.2, respectively, and as at 30 June 2020, our stores carried approximately 16,600 SKUs on average per store.

7.6 OUR CUSTOMERS

Our customer base comprises primarily of walk-in retail consumers at our stores. In FYE 31 December 2019 and FPE 30 June 2020, we recorded approximately 8.4 million and 6.8 million transactions per month on average at our stores, respectively. We do not have any material exposure to nor are we dependent on any particular customer.

As a home improvement retailer, we design our stores and product mix to appeal to the general retail consumer population. Our product mix and product pricing are also designed particularly to cater to consumers who are looking for household necessities and consumer staple products and seek products with an attractive price-to-quality offering.

7.7 OUR END SUPPLIERS

Our purchases primarily comprise of product inventory for our stores. For FYE 31 December 2019 and FPE 30 June 2020, all of our products were sourced from end suppliers, comprising manufacturers or distributors, based in China, Malaysia, Thailand and Indonesia, with approximately 72.4% and 26.8% of our products being sourced from end suppliers in China and Malaysia, respectively, in FYE 31 December 2019, and approximately 73.4% and 25.7% of our products being sourced from end suppliers in China and Malaysia, respectively, in FPE 30 June 2020. Our end suppliers are an important part of our ability to achieve our aim to provide a comprehensive range of good quality products at competitive prices to our customers. As at the LPD, we purchase products from more than 800 end suppliers and for each of FYE 31 December 2017 and 2018 and 2019 and FPE 30 June 2020, our largest end supplier accounted for less than 5.0% of our total purchases. As such, we are not dependent on any of our end suppliers as there are a number of alternative suppliers providing similar products.

We purchase our product inventory from overseas end suppliers through trading houses in Malaysia, who help us to manage the supply of products from our overseas end suppliers. As part of our import supply chain process, when the products we import are received by these trading houses, the relevant trading house issues an invoice to us for the imported products. We make payments to these trading houses against their invoices, and the trading houses pass on the applicable portion of these payments to the relevant end suppliers in settlement of the cost of the products we import. Accordingly, we regard the trading houses we engage in Malaysia as our direct suppliers. For further information regarding how we work with trading houses to manage our supply chain process, see Section 7.10.1 of this Prospectus.

7.8 OUR TOP FIVE MAJOR SUPPLIERS

The following table sets out our top five major suppliers, being third party trading houses, in FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020.

Period	Trading house	Length of relationship as at the LPD	Value of purchases (RM millions)	% of our total purchases
FYE 31 December 2017	(i) Win Seng Hung Holding Sdn Bhd(1)	Ten years	197.0	24.8
	(ii) Milann Bridge Sdn Bhd	Four years	130.5	16.5
	(iii) Charterwin Trading Sdn Bhd(2)	Four years	113.1	14.3
	(iv) Top Point Trading (M) Sdn Bhd(1)	Seven years	104.0	13.1
	(v) Forever Success Link Sdn Bhd(1)	Seven years	74.4	9.4
FYE 31 December 2018	(i) Win Seng Hung Holding Sdn Bhd(1)	Ten years	307.3	25.9
	(ii) Charterwin Trading Sdn Bhd(2)	Four years	220.2	18.6
	(iii) Milann Bridge Sdn Bhd	Four years	141.7	12.0
	(iv) Top Point Trading (M) Sdn Bhd(1)	Seven years	128.9	10.9
	(v) Alliance Integrity Trading Sdn Bhd(2)	Three years	84.0	7.1
FYE 31 December 2019	(i) Alliance Integrity Trading Sdn Bhd(2)	Three years	343.7	24.4
	(ii) Charterwin Trading Sdn Bhd(2)	Four years	324.8	23.1
	(iii) Win Seng Hung Holding Sdn Bhd(1)	Ten years	182.2	12.9
	(iv) Milann Bridge Sdn Bhd	Four years	105.7	7.5
	(v) Top Point Trading (M) Sdn Bhd(1)	Seven years	58.2	4.1
FPE 30 June 2020	(i) Alliance Integrity Trading Sdn Bhd(2)	Three years	277.3	44.2
	(ii) Charterwin Trading Sdn Bhd(2)	Four years	89.3	14.2
	(iii) Win Seng Hung Holding Sdn Bhd(1)	Ten years	38.7	6.2
	(iv) Milann Bridge Sdn Bhd	Four years	28.6	4.6
	(v) Top Point Trading (M) Sdn Bhd(1)	Seven years	15.3	2.4

Notes:

(1) Top Point Trading (M) Sdn Bhd and Forever Success Link Sdn Bhd are entities that have a common shareholder and a common director and both of them together with Win Seng Hung Holding Sdn Bhd have a common management.

(2) Charterwin Trading Sdn Bhd and Alliance Integrity Trading Sdn Bhd are entities held by a common shareholder.

We are not dependent on any of our major suppliers as there are a number of alternative suppliers providing similar services in Malaysia, which we are able to engage if necessary. Furthermore, as at the LPD, we purchase our products from more than 800 end suppliers and for each of FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020, our largest end supplier accounted for less than 5.0% of our total purchases. For further details, see Section 7.7 of this Prospectus.

7.9 MARKETING AND ADVERTISING

Our marketing strategy is to position the "MR. D.I.Y.", "MR. TOY" and "MR. DOLLAR" brands as convenient and value-for-money stores for home improvement retail and consumer products. Pursuant to the Deeds of Assignment, which are pending registration, we own the Trademarks which we use in our business in Malaysia and Brunei. Additionally, we have obtained from Tan Yu Yeh and Iconic Edge Ltd an exclusive, perpetual and irrevocable licence to use all of the IPRs in Malaysia and Brunei. For details on this licence, see Section 10.1.1(iv) of this Prospectus.

We strive to create strong brand values to associate shopping at our stores with convenience, quality, value and choice. Our marketing and advertising teams plan our marketing and advertising initiatives approximately one year in advance and conduct marketing campaigns on six-month cycles. We run advertisement campaigns nationwide to promote the "MR. D.I.Y.", "MR. TOY" and "MR. DOLLAR" brand names through a variety of advertising channels, including radio commercials, billboard advertisements, social media platforms, print media advertisements, such as newspapers and magazines, and commercial sponsorships. In addition, we advertise using leaflets, flyers, temporary displays and other in-store media, and online web and social media platforms, such as Facebook, to promote our new store launches, product launches and other in-store promotions. We also use our social media platforms, such as Facebook and Instagram, to maintain regular and direct contact with our customers. Our social media platforms also serve as an interactive channel to receive customer feedback or complaints and respond quickly and directly to our customers. We also work with third party advertising agencies to promote our brand and conduct special events and product launches.

Given the mass-retail nature of our business, we also have a comprehensive store-level marketing strategy, including hosting "grand opening" events, strategic placement of directional signage to encourage greater footfall at our stores, and conducting in-store promotions throughout the year to coincide with local festivities and other events, such as the end of school holidays.

Periodically, we, in conjunction with our end suppliers, have promotional offers and organise events and competitions to engage our customers. In FYE 31 December 2019 and FPE 30 June 2020, we spent RM7.8 million and RM3.5 million, respectively, on advertising and promotions. We have received a number of awards and accolades in recognition of the strength of the "MR. D.I.Y." brand and the success of our marketing and advertising initiatives, such the "*Brand Leadership in Retail – Home Improvement 2018 – 2019*" award from the BrandLaureate in 2019 and the "*Winner in Retailer – Home Improvement Category (National Tier)*" in the World Branding Awards in 2018 and 2019.

7.10 SUPPLY CHAIN MANAGEMENT AND DISTRIBUTION NETWORK

Our dedicated product procurement team oversees our product procurement process and identifies suitable products for our stores and end suppliers, comprising manufacturers and distributors. Our team typically conducts visits to certain end suppliers' facilities or otherwise communicates with our end suppliers' on a regular basis to survey their new product offerings and assess the quality of the products. For third party branded products, our procurement team also identifies which products best satisfy our product selection criteria. Once a suitable product and end supplier are identified, our procurement team negotiates the supply arrangements. If several end suppliers are considered suitable for a product, our team selects suitable end suppliers through a tender process and negotiates our supply arrangements with selected end suppliers. This process enables us to ensure that our supply terms are competitive and commercially favourable to us. As at the LPD, we do not have any minimum purchase obligations with any of our end suppliers.

7.10.1 Supply chain process

In FYE 31 December 2018 and 2019 and FPE 30 June 2020, approximately 75.6%, 73.2% and 74.3%, respectively, of our purchases were attributable to products which were imported from outside of Malaysia. We engage third party trading houses in Malaysia to assist with the importation of our products, which includes collecting supplies from overseas ports, receiving supplies at the port in Malaysia, warehousing, and customs handling processes. As the frequency and volume of products we import is substantial, we engage these trading houses in Malaysia to benefit from the experience and knowledge of the trading houses in managing the logistics and customs clearing processes. We import the majority of our products from end suppliers based in China and also engage a China-based freight management service provider, which is affiliated to Tan Yew Teik, a director of all our subsidiaries, to assist with the administrative aspects and logistics of purchasing and exporting the products from China, which includes placing purchase orders and consolidating and storing products that are ordered from end suppliers.

The products we import are shipped to trading houses in Malaysia that we designate to receive the shipment. If an end supplier does not hold an export license, the end supplier delivers the products to a third-party exporter, which then ships the products to the designated trading houses in Malaysia. Where the volume of an order is not sufficient to fill a full shipment container, our orders are aggregated with our other orders by our freight management service provider, which improves the cost efficiency of our shipping and import operations, before being shipped by a third-party exporter to the designated trading houses in Malaysia.

As part of our import supply chain process, when the products we import are received by these trading houses, the relevant trading house issues an invoice to us for the cost of the products ordered from the end supplier, customs duties, SST, the trading house's service fees (the service fee of which is based on a flat rate per shipping container depending on the location where the products are exported from) and the freight management service provider's fees. We make payments to these trading houses in Malaysia against their invoices which are denominated in RM, and the trading houses pass on the applicable portion of these payments to the relevant end suppliers in settlement of the cost of the products we import. We receive the products ordered only after the shipment has cleared customs in Malaysia. Our end suppliers, including our overseas manufacturers, receive their payments from the trading houses we engage in Malaysia either directly or indirectly through the relevant third-party exporter. The trading houses make payments to the overseas end suppliers against their invoices which are denominated in foreign currency. For an illustrative diagram on our import supply chain process, see Section 11.1 of this Prospectus.

Notwithstanding the onset of the COVID-19 pandemic and the measures implemented by governments to contain the spread of the virus, including the MCO, we have not experienced any material disruptions or delays in our supply chain and distribution operations, nor have we experienced any material increases in our supply chain and logistics costs since 1 January 2020 up to the LPD.

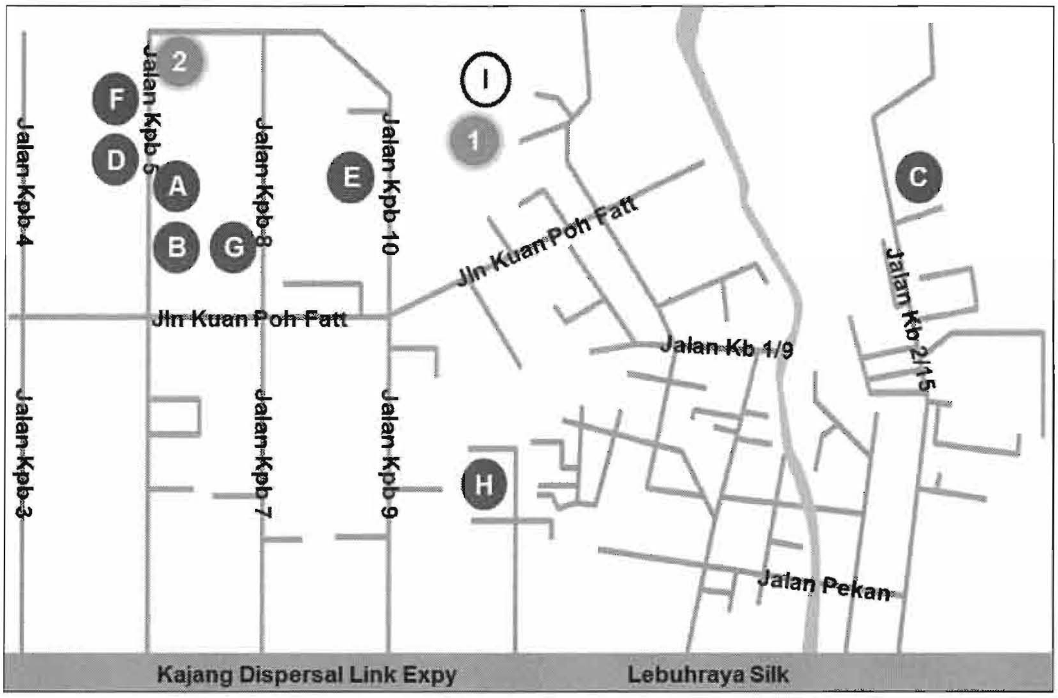
7.10.2 Inventory management and product distribution

Our inventory management and product distribution systems are centrally managed by our team situated at our corporate headquarters and distribution centre situated in Balakong, Seri Kembangan, Selangor, Malaysia. Our central distribution centre, comprising 11 closely proximate facilities situated in Balakong, Seri Kembangan, Selangor, Malaysia and one property situated in Port Klang, Selangor, Malaysia as at the LPD, serves as a base for us to efficiently receive our supply deliveries, record and store inventory, package our products, plan our product distribution routes, house and maintain our fleet of delivery trucks, and dispatch our delivery trucks to our network of stores.

Our centralised inventory management system enables us to ensure that our stores have sufficient stock to meet our customers' demands. The following table sets out certain operational details of the facilities within our distribution centre as at the LPD.

Facility			Approximate land area (sq. ft.)	Approximate gross floor area (sq. ft.)
A	-	Warehousing and distribution	85,000	66,000
B	-	Warehousing and distribution	86,000	56,000
C	-	Warehousing and distribution	133,000	87,000
D	-	Delivery trucks and employee parking	85,000	—
E	-	E-commerce warehousing and distribution	43,000	18,000
F	-	Warehousing and distribution	73,000	55,000
G	-	Warehousing and distribution of goods shipping outside of Peninsular Malaysia	88,000	49,000
H	-	Corporate offices, warehousing and distribution	74,000	211,000
J	-	Warehousing and distribution	48,000	30,000
K	-	Warehousing and distribution	51,000	39,000
L	-	Warehousing and distribution	50,000	52,000
M	-	Warehousing and distribution	441,000	43,000
Total			**1,257,000**	**706,000**

The following map shows the location of Facility A to Facility H, the plots of land which we purchased to develop Facility I and the two plots of land (Property 1 and Property 2) which we are in the process of purchasing (as described below) in Balakong, Seri Kembangan, Selangor, Malaysia as at the LPD. We also have three other facilities (Facility J, K and L) located within 5 kilometres from Facility A and one facility (Facility M) in Port Klang, Selangor, Malaysia. For further details, see Section 7.15.2(ii) of this Prospectus.



We also lease four storage units with a combined floor area of approximately 40,000 sq. ft. in close proximity to our distribution centre in Balakong. We use these storage units to store inventory, as well as items and products for our own internal use, such as items and products to conduct quality control inspections on goods.

We have purchased two plots of land with a total area of approximately 260,000 sq. ft., on which, subject to our tendering and internal evaluation processes, we intend to develop our first warehousing facility (Facility I) which will use technology-driven operational systems. While our plan to develop Facility I is still at a preliminary stage, as at the LPD, we have completed the clearing of and earthworks on the land for RM2.7 million and have entered into contracts of an aggregate value of RM37.7 million for the design and installation of automation systems for Facility I which is payable in phases based on milestones set out in the relevant contracts. The total cost to complete the development of Facility I has not been determined and will depend on our finalised development plan for the facility. We expect the development of Facility I to be completed in 2023 and we intend to fund its development through internally generated funds, borrowings or a combination of both.

In addition, we have, on 5 August 2020, entered into an agreement to acquire a plot of freehold land together with a warehouse building located in Balakong, Seri Kembangan, Selangor, Malaysia with a total area of approximately 80,300 sq. ft. (Property 2) and, on 14 September 2020, we entered into an agreement to acquire a plot of leasehold land located in Balakong, Seri Kembangan, Selangor, Malaysia with a total area of approximately 85,340 sq. ft. (Property 1). Both plots of land are located in an area proximate to our existing distribution centre in Balakong. We intend to develop both plots of land to expand our warehousing facilities. A summary of the terms of the agreements to acquire Property 1 and Property 2 is set out in Section 14.6.7 and 14.6.8, respectively, of this Prospectus. Due to the preliminary nature of the development plans for Property 1 and Property 2, the development cost and timing for completion has not been determined. We intend to fund the development of Property 1 and Property 2 through internally generated funds, borrowings or a combination of both.

Our distribution centre typically operates 24 hours a day, six days a week to achieve a "three-day turnaround." Within two days from the time our distribution centre receives a supply delivery, our warehousing teams record the inventory and unpack the products for distribution, and get the products ready for distribution to our network of stores. Once packed and ready for delivery, our fleet of delivery trucks are dispatched on the third day to deliver stock to our network of stores across Peninsular Malaysia. Our delivery trucks are typically dispatched for a "same day" turnaround and our distribution teams plan the delivery routes for our trucks daily so as to optimise our resources and logistics costs. All of our delivery trucks typically complete their delivery routes and return to our distribution centre within the same day. We dispatch our products from our distribution centre to our stores in Brunei and East Malaysia through third party freight shipping service providers. Third party freight service providers also distribute our products to certain of our stores in Peninsular Malaysia that are inaccessible to our delivery trucks.

We manage our distribution centre inventory levels through Qube Pos, an inventory management software system provided to us by our associate, Qube. We assess the volume and rate of sales of each of our products at each store from time to time, which when interacting with our inventory management system, allows us to maintain optimal stock levels at each of our stores by monitoring stock levels, replenishing or transferring stock among stores, and mitigating against the loss of stock. Additionally, we also set predetermined inventory levels for each product at our distribution centre based on our assessment of the likely demand for the product. When the stock for a product falls below such a predetermined inventory level, a re-stocking order for the product is automatically generated by our inventory management system. Our inventory management system receives and collates the product orders from our stores daily to generate the distribution routes for our product delivery trucks for the day. These systems allow us to ensure that our stores are well-stocked and are able to meet the demands of our customers.

7.11 QUALITY CONTROL

Our quality management team uses streamlined processes to monitor and receive feedback on product quality. Our quality management team monitors five quality control work streams, namely: (i) products that have been damaged in our stores; (ii) products that have been damaged in transit from our distribution centre to our stores; (iii) products that customers have sought to exchange due to unsatisfactory quality; (iv) products that have been recalled back by us; and (v) products that have been reported as defective. Where possible, we seek to enforce quality control at our distribution centre and each of our stores.

Certain of our products may be subject to product quality assurance standards and certification requirements imposed by applicable law. For example, the Energy Commission of Malaysia, which regulates the safety of electrical equipment, mandates that certain of our products, such as electrical appliances, be affixed with certain labels after the products are verified to be compliant with standards known as 'SIRIM standards'. Compliance of products with the SIRIM standards are evaluated by the Energy Commission of Malaysia by way of compliance checks, either through audits of our stores, the factories in which the products are produced or samples from the products we import. We rely on certain third-party trading houses to obtain the required certification (including certification of compliance with the SIRIM standards) for our products.

We typically provide our customers with a one year warranty for home appliances and a seven day exchange policy for all other products. We do not generally receive any back-to-back warranties from end suppliers for the products that we sell.

7.12 LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS

Save as disclosed in Annexure C and Section 7.26 of this Prospectus, our Group does not have any other licences, patents, trademarks, brand names, technical assistance agreements, franchises and other intellectual properties on which we are dependent.

Although we currently own the trademarks associated with the "MR. D.I.Y." brand including those set out below in relation to our business operations in Malaysia and Brunei, they are currently registered in the name of Tan Yu Yeh and Iconic Edge Ltd, a company wholly-owned and controlled by Tan Yu Yeh, with the Intellectual Property Corporation of Malaysia and the Brunei Intellectual Property Office. Under the Deeds of Assignment executed by Tan Yu Yeh and Iconic Edge Ltd, each as an assignor, and our Company, as assignee, Tan Yu Yeh and Iconic Edge Ltd have agreed to assign to our Company the benefits, rights, title and interests in the Trademarks set out below which we use in our business in Malaysia and Brunei. The Deeds of Assignment assign the ownership of the Trademarks to us. We have made applications to register such assignments with the Intellectual Property Corporation of Malaysia and the Brunei Intellectual Property Office. The timeframe to complete the registration of such assignments in Malaysia and Brunei is uncertain. Upon registration with the Intellectual Property Corporation of Malaysia and the Brunei Intellectual Property Office, our Company will become the registered owner of the Trademarks in Malaysia and Brunei, respectively.

We have also submitted applications to register the trademarks associated with the "MR. D.I.Y.", "MR. TOY" and "MR. DOLLAR" brands set out below in Malaysia and Brunei:

The Deeds of Assignment also assign the ownership of the above trademarks, for which applications are pending, to us.

Additionally, we have obtained from Tan Yu Yeh and Iconic Edge Ltd an exclusive, perpetual and irrevocable licence to use all of the IPRs, which includes intellectual property rights or other proprietary rights under and/or relating to the "MR. D.I.Y.", "MR. TOY" and "MR. DOLLAR" brands and their associated brands, for our business in Malaysia and Brunei. For details on this licence, see Section 10.1.1(v) of this Prospectus.

7.13 COMPETITION

We are the largest home improvement retailer in Malaysia with an estimated market share of 29.1% in 2019 based on our revenue for FYE 31 December 2019. Our primary competitors include other home improvement and value retailers, such as Ace Hardware, One Stop Superstore and Daiso. In addition, while certain of our stores are located within, or adjacent to, the premises of supermarkets and hypermarkets owned and operated by established mass merchandise retailers such as AEON, Tesco and Giant, we also compete with these retailers with respect to certain products. See Section 7.4.1 of this Prospectus for more information on our stores. We also compete with online retail platforms, such as Lazada and Shopee, as well as the merchants on such platforms which offer similar products to our stores. As at LPD, our nearest competitor in Malaysia in the household and furnishing product category was One Stop Superstore, which operated 83 stores compared to our 640 "MR. D.I.Y." stores as at the same date.

We compete with other home improvement retail store operators primarily based on convenience, presentation, product variety, price, customer loyalty, product quality and customer service. We believe that our extensive network of stores located at convenient locations across Malaysia and Brunei will continue to be a key factor in determining the success of our business. Our extensive network of 640 strategically located "MR. D.I.Y." stores in Malaysia, as at the LPD, ensures that we are a convenient and accessible option for consumers looking for the types of products we sell. Additionally, our stores have been operating in Malaysia since 2005, over which time we have successfully built and established the "MR. D.I.Y." brand among consumers in Malaysia, which provides us with a competitive advantage over new entrants and even mature market participants with less established brands.

7.14 AWARDS AND KEY CERTIFICATIONS

The following table sets out information with regards to awards that we have received.

Year	Award	Awarding Body	Description of Award
2015	*WD-40 Retail Category – Achievement Award*	WD-40 Company	Recognition of MR. D.I.Y.'s outstanding performance in developing the business of the WD-40 Company in Malaysia
2015	*Philips Lighting Award – Top 10 Champion*	Philips	Recognition of MR. D.I.Y.'s outstanding performance in developing Philips' lighting business in Malaysia
2016 and 2014	*Anugerah Kedai Harga Patut*	Ministry of Domestic Trade and Consumer Affairs	Recognition of the fair price of everyday essential household items sold at our stores in the state of Negeri Sembilan
2018 and 2019	*World Branding Awards – Retailer – Home Improvement Category (National Tier): Winner*	World Branding Awards	Recognition of the strength of the "MR. D.I.Y." brand in Malaysia
2018	*Outstanding Performance in Year 2017/2018*	Faber Castell Malaysia	Recognition of MR. D.I.Y.'s outstanding performance in developing the Faber Castell business in Malaysia
2019	*Brand Leadership in Retail – Home Improvement 2018 – 2019*	BrandLaureate	Recognition of the strength of the "MR. D.I.Y." brand in Malaysia

7.15 PROPERTIES AND EQUIPMENT

7.15.1 Material properties owned by our Group

The following table sets out the details of the material properties that we own for our inventory management and product distribution, and other material properties of our Group.

No.	Title identification / Property address / Tenure	Description and existing use of property	Category of land use / Express condition	Date of issuance of CF/CCC	Encumbrances	Land area / gross floor area (approximate) (sq. ft.)	NBV as at 30 June 2020 (RM)
	Facility A owned by MDM						
1.	HS(M) 20699 - 20700 PT 56540 - 56541 Town of Ceras, Batu 12, Jalan Sungai Besi-Cheras, District of Hulu Langat, State of Selangor / Lot 1851A and 1851B, Jln KPB 6, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor Freehold	Warehouse and office comprising two adjoining units of individually-designed one and a half storey semi-detached factories	Industry / Light Industry Restriction in Interest This land shall be sold only to Chinese	07.02.2013	(1) Private caveat lodged by CIMB Bank Berhad vide presentation number 3869/2015; (2) Land charge in favour of CIMB Bank Berhad vide presentation number 8231/2015; (3) Land charge in favour of CIMB Islamic Bank Berhad vide presentation number 8068/2018; (4) Land charge in favour of CIMB Islamic Bank Berhad vide presentation number 8069/2018;	85,000 / 66,000	11.0 million

No.	Title identification / Property address / Tenure	Description and existing use of property	Category of land use / Express condition	Date of issuance of CF/CCC	Encumbrances	Land area / gross floor area (approximate) (sq. ft.)	NBV as at 30 June 2020 (RM)
	Facility H, Lot 1907, Kawasan Perindustrian Kg Baru Balakong owned by MDM						
2.	HSM 22403 – HSM 22404, PT 59992 – PT59993, Town of Cheras, Batu 12, Jalan Sungai Besi-Cheras, District of Hulu Langat, State of Selangor / Lot. 1907, Jalan KPB 11, Kawasan Perindustrian Kg. Baru Balakong, 43300 Seri Kembangan, Selangor Freehold	Warehouse and office comprising two adjoining units of semi-detached buildings with basement parking, four storeys of office building and four storeys of the back area allocated for warehousing use.	Industrial / Heavy Industry	3 June 2020	(1) Land charge in favour of CIMB Bank Berhad vide presentation number 6302/2018; (2) Land charge in favour of CIMB Bank Berhad vide presentation number 6303/2018; and (3) Private caveat lodged by CIMB Bank Berhad vide presentation number 4314/2018	74,000 / 211,000	37.8 million
	Vacant Land (reserved for Facility I), Lot 2279, Mukim Ceras, Daerah Hulu Langat, Tempat Batu 13, Jalan Cheras, Selangor owned by MDM						
3.	HSM 22488 – HSM 22489, PT 60162 – PT 60163, Mukim of Ceras, Batu 13, Jalan Cheras, District of Hulu Langat, State of Selangor Lot 2279, Jalan KPB 12B, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor Freehold	Vacant land with earthworks completed	Industrial / Medium Industry	N/A	Nil	260,000 / N/A	42.2 million

7.15.2 Properties rented by our Group

The properties rented by our Group are as follows.

(i) Our stores

As at the LPD, we operate a total of 674 stores of which all are rented, save for one store in Bandar Sri Permaisuri, Kuala Lumpur which we own.

(ii) Material properties rented by our Group

The following table sets out the details of the material properties that we rent for our inventory management and product distribution, and other material properties of our Group.

No.	Postal address	Description / Existing use	Tenure / Expiry date of tenancy	Land area / gross floor area (approximate) (sq. ft.)	Date of issuance of CF/CCC	Rental for FYE 31 December 2020 (RM)
Facility B (Tenant: MDT)						
1.	Lot No. 25154, Jalan KPB 6, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan.	Warehouse and office facility comprising a standalone building with three storeys of office building and a back area allocated for warehousing use.	01.09.2019 to 31.08.2022	86,000 / 56,000	24.08.2016	816,000
Facility C (Tenant: MDT)						
2.	Lot No. 1027, Jalan KB 2/15, Kampung Baru Balakong, Mukim Cheras, 43200, Balakong, Selangor.	Warehousing and distribution centre comprising two units of adjoining semi-detached buildings with two storeys of office building and the back area allocated for warehousing use.	01.08.2019 to 31.07.2021	133,000 / 87,000	02.08.2018	1,144,758

No.	Postal address	Description / Existing use	Tenure / Expiry date of tenancy	Land area / gross floor area (approximate) (sq. ft.)	Date of issuance of CF/CCC	Rental for FYE 31 December 2020 (RM)
Facility D (Tenant: MDT)						
3.	Lot 58555, Jalan KPB 6, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor.	Vacant land used for container storage and parking area for trucks and vehicles	01.02.2020 to 31.01.2022	85,000 / N/A	N/A	358,800
Facility E (Tenant: MDE)						
4.	Lot 1849-A, Jalan KPB 10, Kampung Baru Balakong, 43200 Seri Kembangan, Selangor.	Warehousing and distribution centre comprising of a standalone building for warehousing use only.	10.02.2018 to 09.02.2021	43,000 / 18,000	17.04.2015	324,000
Facility F (Tenant: MDT)						
5.	Lot 1770, Jalan KPB 6, Kawasan Perindustrian Kampung Baru Balakong, 43300, Mukim Cheras, Daerah Hulu Langat, Selangor.	Warehousing and office comprising two units of adjoining semi-detached buildings with three storeys of office building and the back area allocated for warehousing use.	01.06.2018 to 31.05.2021	73,000 / 55,000	18.04.2019	780,000
Facility G (Tenant: MDT)						
6.	Lot 1858, Jalan KPB 8, Bukit Belimbing, 43300 Balakong, Selangor.	Warehousing and distribution of goods outside of Peninsular Malaysia comprising a standalone building with two storeys of office building and the back areas allocated for warehousing use.	01.09.2018 to 31.08.2021	88,000 / 49,000	05.09.2008	660,000

No.	Postal address	Description / Existing use	Tenure / Expiry date of tenancy	Land area / gross floor area (approximate) (sq. ft.)	Date of issuance of CF/CCC	Rental for FYE 31 December 2020
						(RM)
Facility J (Tenant: MDT)						
7.	Lot 80221, Jalan Persiaran Karunmas, Taman Desa Karunmas, 43300 Seri Kembangan, Selangor	Warehousing and distribution centre comprising of a standalone building for warehousing use only	01.04.2020 to 31.03.2021	48,000 / 30,000	21.06.2019	456,000
Facility K (Tenant: MDT)						
8.	Lot 31, Jalan CJ 1/1, Kawasan Perindustrian Cheras Jaya, 43200 Balakong, Selangor	Warehousing and distribution centre comprising 2 storeys of office building and 1 storey factory area allocated for warehousing use	01.06.2020 to 31.05.2023	51,000 / 39,000	21.01.2010	630,000
Facility L (Tenant: MDT)						
9.	Lot 11A, Jalan 3A, Kawasan Perindustrian Cheras Jaya, Off Jalan Balakong, 43200 Cheras, Selangor	Warehousing and distribution centre comprising a standalone 2 storey building for warehousing use only	01.08.2020 to 31.07.2022	50,000 / 52,000	21.11.1984	600,000
Facility M (Tenant: MDT)						
10.	Lot 6 & 8, Lingkaran Sultan Hishamuddin, Kawasan 20, Bandar Sultan Suleiman, 42000 Port Klang, Selangor	Warehousing and distribution centre comprising a standalone building for warehousing use only	01.05.2020 to 30.04.2022	441,000 / 43,000	26.09.1991	570,240

(iii) Compliance with CCC/CF

As at the LPD, certain of our stores have not been issued with the required CCC/CF or occupation permit and we have not been able to ascertain whether certain of our stores have been issued the required CCC/CF or occupation permit as our landlords have not provided us with a copy of the required CCC/CF or occupation permit. We will continue to work with the landlords to verify the status of CCC/CF or to assist the landlords, to the extent possible, to obtain a copy of the CCC/CF or occupation permit from the relevant authorities.

The affected stores above do not have a material adverse impact on our operations since they represent approximately 2.4% of our total 674 stores and each contributes only approximately 0.2% of our consolidated revenue for FYE 31 December 2019. Furthermore, the simultaneous enforcement on all the affected stores resulting in forced closures of all the affected stores at once is remote and the risk is diversified since the locations of the affected stores are dispersed throughout Malaysia.

Save as disclosed above and in Section 7.28 of this Prospectus, none of the material properties that we own or rent in Sections 7.15.1 and 7.15.2 of this Prospectus are in breach of any of the land use conditions or current applicable laws, rules and building regulations.

7.15.3 Material plant, machinery and equipment

As at the LPD, our Group does not own any material plant, machinery and equipment.

7.16 SEASONALITY

Our stores typically experience higher customer traffic, transaction value and sales during weekends, public holidays, school holidays and festive periods. We typically experience higher monthly revenue in December compared to other months of the year as a result of the holiday season.

7.17 CASH MANAGEMENT POLICY

Our cash management processes include, among other processes, (i) daily checking of transactions against cash banked-in for that day and daily cash-to-transaction reconciliation checks by each store manager and our finance team at our corporate offices, and (ii) monthly detailed checks of sales deposits and bank statements by our finance team, which enable us to ensure that our cash and other funds are handled in an accountable and safe manner. In each of FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020, our cash losses were nominal.

7.18 EMPLOYEES

As at the LPD, we employ a total of 10,162 full-time staff and nine staff on a temporary or contract basis, consisting mostly of part-time and hourly-rated employees. As at the LPD, 1,520, or 15.0%, of our full-time staff were non-Malaysian nationals. The following table sets out our full-time staff by function as at the dates indicated.

Function	As at 31 December 2017	2018	2019	As at 30 June 2020	As at the LPD
Managerial staff	35	40	54	68	70
Administrative and headquarters staff	237	362	414	441	457
Warehousing staff	403	745	760	966	925
Store staff	5,399	6,832	8,242	8,774	8,710
In Malaysia	5,348	6,769	8,191	8,724	8,665
In Brunei	51	63	51	50	45
Total	**6,074**	**7,979**	**9,470**	**10,249**	**10,162**

Our store staff increased by approximately 26.5% from 31 December 2017 to 31 December 2018, approximately 20.6% from 31 December 2018 to 31 December 2019 and approximately 6.5% from 31 December 2019 to 30 June 2020 primarily due to the growth in our network of stores. As at 31 December 2017, 2018 and 2019 and 30 June 2020, we hired six, 24, 18 and 21 temporary staff, respectively, mostly as store staff.

As at the LPD, none of our employees belong to any union nor are they parties to any collective agreements and we have not experienced any strikes or other disruptions due to labour disputes. In addition, our management has had and expects to continue to have good working relationships with our employees.

In July 2020, the Government of Malaysia announced certain restrictions on the hiring of non-Malaysian nationals. For further details, see Section 5.1.10 of this Prospectus.

7.18.1 Employee remuneration and benefits

Our store staff typically receive a base salary and certain performance-based incentives. The base salary for our employees is in accordance with the Malaysian statutory minimum wage of RM1,100 or RM1,200 per month (depending on the city in Malaysia in which the employee is employed), and our employees' compensation increases with their performance, promotion and length of service. Commencing from 1 February 2020, the statutory minimum wage rate in 56 cities within Malaysia, as identified by the Government of Malaysia, is RM1,200 per month and the statutory minimum wage rate in other cities within Malaysia continues to be RM1,100 per month. Our employees also receive incentive-based compensation, which varies depending on their ability to meet our incentive programme criteria, which includes individual performance as well as the performance of our business. For example, the incentives for our store staff are subject to their team meeting sales targets for selected products and for meeting targets for reducing the loss of stock at that store. We also motivate our employees with non-financial awards, such as long-service awards and the awarding of certificates and trophies to recognise outstanding individual performance. Our incentive programmes motivate our employees and serve to achieve a higher employee retention rate and reduce our training and recruitment costs.

Other than our contributions to the Employees' Provident Fund, we do not maintain any retirement, pension or severance plans or have any unfunded pension liabilities, nor do we owe any amounts to any present or former employees that are not in the ordinary course of our business.

7.18.2 Employee training

We recognise the importance of having a strong team of management and operational staff to meet our growth plans. We therefore place emphasis on staff training and development. When our employees commence work with us, they undergo training through our customised employee training programme at our corporate headquarters which is designed to equip our employees with the skills to support our stores and serve our customers. Our employees are subsequently given opportunities to attend further training programmes, including managerial and leadership training programmes. We also have a formal employee functional training programme for each employee staffed in our stores.

7.19 CORPORATE SOCIAL RESPONSIBILITY

We participate regularly in events that support our surrounding community. For example, since 2017, we have supported the University of Malaya in an annual "DIY Made Simple" competition, where our expertise, advice and supplies are used by faculty, staff and students of the university to make repairs to homes and other structures in their communities. In addition, from time to time, we collaborate with our end suppliers' or other business partners in community service initiatives. For example, in 2015, we assisted Tesco with the provision of supplies to aid flood disaster relief efforts in Malaysia. We also assisted flood relief efforts in 2017 in the states of Terengganu and Kelantan through the distribution of boats and other necessities.

In light of the outbreak of the COVID-19 pandemic, we donated face shields and face masks to medical and healthcare institutions, non-profit organisations and other organisations with frontline staff such as the Royal Malaysia Police and city councils. We also donated supplies and equipment such as mineral water, food items, flashlights and batteries to the Royal Malaysia Police and healthcare and quarantine centres.

We continue to believe in giving back to the communities in which we operate. Since 2017, we have invested in community projects by contributing food, household and other items to communities in need. We have also supported orphanages and elderly care facilities with community projects since 2018.

7.20 INSURANCE

We maintain insurance policies to cover a variety of risks that are relevant to our business needs and operations. We maintain property insurance in respect of all our real property and our fixtures and fittings and stock in our distribution centre is also insured. We also maintain public and employer liability insurance and other insurance such as fidelity, money and fire insurance for our operations. These insurance policies have specifications and insured limits that are appropriate in view of our exposure to the risk of loss and liability, the cost of such insurance, applicable regulatory requirements and the prevailing industry practice in Malaysia and Brunei. We also maintain certain insurance policies for our employees, such as a group personal accident insurance for our lorry drivers and attendants, and make contributions to statutory insurance schemes.

We believe the insurance policies and coverage we have subscribed for are adequate for our business and operational needs. We periodically conduct reviews of our insurance coverage.

7.21 RESEARCH AND DEVELOPMENT

We do not conduct any research and development activities and we do not have any research and development policy.

7.22 TECHNOLOGY

We continually invest in digital technology to streamline our distribution centre and store operations and to improve our operating efficiency, profitability and competitiveness. We use software such as Autocount, an accounting software that we have licensed to improve our operating efficiencies and ability to conduct transaction reconciliation. We have also developed and launched our e-commerce website, which utilises third party payment gateway systems to enable our customers to make payments for our products online and to provide a streamlined user experience.

We have a licence to use Qube Pos technology from our associate, Qube, which enables us to automate inventory management and re-stocking processes at our distribution centre. This technology also has integrated POS modules that can result in more effective supply chain and accounting management. Qube Pos technology also integrates with our back-end inventory management system, such that when the stock for a product falls below a predetermined inventory level, a re-stocking order for the product is automatically generated. The use of such technology to monitor our stock levels and automate re-stocking processes allows us to efficiently maintain optimal stock levels and mitigate against damage to, and the loss of, stock.

Since Qube provides us software that automates large aspects of our inventory management and re-stocking processes of our distribution centre, we had in June 2017 invested in Qube by acquiring 30% equity interest for RM1.5 million.

We also have a licence to use endpoint management software from Ivanti, a third-party software provider, which enables us to automate the delivery of software updates to each of the computer terminals in our stores, distribution centre and headquarters.

As part of our business continuity plan, we utilise a third-party IT data recovery service. This service allows us to back up data from our internal servers and systems to local servers and to cloud-based servers operated by the data recovery service provider on a daily basis.

7.23 HEALTH AND SAFETY

We value the health of our employees and place great emphasis on the safety of our employees at our offices, distribution centre and stores. We ensure that new employees are advised of our safety and health policy and we provide them with in-house training.

Each employee is briefed and granted access to our employee handbook, which describes the Company's and the employee's responsibilities for employee health and safety. The employee handbook also contains explanations of procedures to be followed in the event of accidents at the workplace, and informs our employees of their eligibility for statutory compensation in the event of an injury or accident occurring in the course of their employment. We have also established a "safety and health committee", which promotes and takes active steps to create a healthy and safe workplace for our employees.

In light of the COVID-19 pandemic and following the implementation of the MCO, we have implemented various measures to protect the health and safety of our employees and customers. In our warehousing facilities and distribution centre, we have made adjustments to our employees' working hours to enable our employees to avoid commuting to work during peak hours, adopted a roster system to reduce the concentration of employees in our warehousing facilities at any one time, encouraged employees to work from home where practicable and enforce appropriate social distancing measures. We have also set up hand sanitising stations at appropriate locations at our offices, distribution centre and warehousing facilities. In our stores, we have similarly adopted a roster system to reduce the concentration of employees in our stores at any one time and set up hand sanitising stations at appropriate locations in our stores. We have also increased the frequency at which we sanitise and disinfect our stores, including check-out counters, shelves and other high-touch points in our stores.

Our employees at our corporate office, warehousing facilities, distribution centre and stores are also required to wear face masks, record their temperatures daily and immediately seek medical attention if they feel unwell. Our employees are regularly reminded to avoid crowded places, close contact and close conversations with other persons, and regularly wash and sanitise their hands to prevent the spread of COVID-19 infection among our employees. Visitors to our corporate office, distribution centre and warehousing facilities and stores are required to undergo temperature checks and wear face masks and visitors to our corporate office, distribution centre and warehousing facilities are also required to complete appropriate health screening declarations on their health condition.

We continue to strive to be compliant with the health and safety procedures prescribed by the Government of Malaysia to contain the COVID-19 outbreak. We have also adopted a business continuity plan to mitigate any disruption to our operations in the event that any of our employees contract COVID-19.

7.24 SECURITY AND LOSS PREVENTION

Our distribution centre and stores are fitted with closed-circuit television surveillance cameras to record and monitor all activities in these premises. We also engage third party security personnel to maintain security of our distribution centre. Furthermore, we have developed standard operating procedures to minimise the risk of a security breach at our distribution centre, and training is regularly conducted for certain of our staff to help ensure that they are equipped to comply with our security procedures. Our security and loss prevention team also works closely with the authorities in Malaysia to ensure the security of our stores. In FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020, our inventory written off and inventory losses were 0.7%, 1.1%, 1.4% and 1.0% of revenue, respectively.

7.25 BUSINESS INTERRUPTIONS

Save as disclosed in the Prospectus, there has not been any material interruption to our business activities during the past 12 months prior to the date of this Prospectus.

COVID-19 Pandemic

The COVID-19 pandemic has impacted economic activity and financial markets in countries across the world, including Malaysia where substantially all of our operations are based. In response to an increase in the COVID-19 infection rate in Malaysia, the Government of Malaysia implemented the MCO, which took effect from 18 March 2020 and imposed various restrictions on the conduct of activities in Malaysia. During the initial phase of the MCO, which continued until 3 May 2020, such restrictions included (i) a general prohibition on the movement and gathering of people within Malaysia, (ii) a prohibition on the entry into Malaysia by non-Malaysian persons, (iii) restrictions on persons traveling out of Malaysia and (iv) a requirement that all private and public commercial premises be closed unless such premises operate to provide what were deemed to be an "essential service" under the MCO. On 4 May 2020, the Government of Malaysia implemented the CMCO, which involved the relaxing or lifting of various restrictions implemented under the MCO. During the CMCO period, which continued until 9 June 2020, certain restrictions on the movement of persons, including interstate travel, were relaxed, limited gatherings of persons in small groups were permitted and various public and private commercial premises were permitted to operate, subject to compliance with health and safety measures. On 10 June 2020, the Government of Malaysia implemented the RMCO, which further relaxed various restrictions on the movement and gathering of persons, interstate and international travel and the conduct of public and private commercial activity. The Government of Malaysia has announced that the RMCO will remain in effect until 31 December 2020.

In Malaysia, following the implementation of the MCO, we were required to temporarily close all of our stores by 22 March 2020. The following table sets out the number of our stores which were temporarily closed as at the dates indicated.

	As at			
	31 March 2020	30 April 2020	31 May 2020	30 June 2020
Total number of stores	628	628	631	640[(1)]
Number of stores temporarily closed due to the restrictions imposed under the MCO, CMCO and RMCO	623[(2)]	395	0	0

Notes:

(1) Does not include one store in Malaysia that operated up to 29 June 2020 and was permanently closed on 30 June 2020.

(2) The difference in the five stores was due to our four stores in Brunei that remained open and one store in Malaysia that was temporarily closed due to the temporary closure of a mall in which the store was located.

As a result of the mandatory temporary store closures under the MCO, our revenue for the months of March and April 2020 declined to RM118.0 million and RM51.0 million, respectively (based on our unaudited consolidated management accounts for the months of March and April 2020), which was substantially lower than our average monthly revenue of RM189.6 million in FYE 31 December 2019. In accordance with approvals from the relevant local authority which we received in April 2020, we began reopening some of our stores. However, our stores which were permitted to open were only permitted to operate for a limited number of hours each day and/or a limited number of days per week, in accordance with approvals from the relevant local authorities. With the implementation of the CMCO, we were permitted to reopen our stores in Malaysia in accordance with the rules of the CMCO and by 31 May 2020, none of our stores in Malaysia were closed due to the restrictions under the MCO. Following the implementation of the RMCO, certain of the prohibitions and restrictions imposed under the CMCO have been relaxed and/or lifted, allowing us to resume normal operating hours and days of our stores. With the reopening of our stores, our revenue for the months of May and June 2020 increased to RM233.5 million and RM232.1 million, respectively, compared to our revenue in April 2020 of RM51.0 million and our average monthly revenue of RM189.6 million in FYE 31 December 2019. The foregoing financial data is based on our unaudited consolidated management accounts for the months of April, May and June 2020. However, should the COVID-19 pandemic persist or worsen in Malaysia, or if the RMCO restrictions are extended or enhanced, we may not be able to sustain these revenue levels or we may again see a decline in revenues. The following table sets out our revenue for the months indicated in FPE 30 June 2020 based on our unaudited consolidated management accounts.

	FPE 30 June 2020						
	Unaudited						Audited
	January	February	March	April	May	June	Total
	RM'mil	RM'mil	RM'mil	RM'mil	RM'mil	RM'mil	RM'mil
Revenue	226.4	189.7	118.0	51.0	233.5	232.1	1,050.7

The financial information for the months in FPE 30 June 2020 presented above is derived from our unaudited consolidated management accounts, which have not been reviewed, confirmed or audited by our auditors or reporting accountants, and our results presented by such unaudited financial information therefore remain subject to change and may differ from our actual results had such financial information been audited or reviewed.

As at the LPD, the COVID-19 pandemic has not resulted in any material disruptions to our operations in Brunei and we have not been required to temporarily cease the operations of any of our stores in Brunei as a result of the COVID-19 pandemic. Our revenue from our stores in Brunei increased from RM10.1 million in FPE 30 June 2019 to RM10.8 million in FPE 30 June 2020.

The full impact of the COVID-19 pandemic on our business, financial condition, results of operations and prospects will depend on a number of factors beyond our control and which are difficult to ascertain with certainty, such as the length of time that the COVID-19 pandemic and the MCO will persist, as well as any future developments or restrictions as a result of the pandemic, and the nature and effectiveness of governmental and public actions taken in response to COVID-19.

7.26 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS, AGREEMENTS AND OTHER ARRANGEMENTS

Our Group's operation of stores in Malaysia and Brunei are materially dependent on the Deeds of Assignment executed by Tan Yu Yeh and Iconic Edge Ltd, each as an assignor, and our Company, as assignee, under which Tan Yu Yeh and Iconic Edge Ltd have agreed to assign to our Company the benefits, rights, title and interests in the Trademarks which we use in our business in Malaysia and Brunei. We have made applications to register such assignments with the Intellectual Property Corporation of Malaysia and the Brunei Intellectual Property Office for our business operations in Malaysia and Brunei, respectively. Barring any unforeseen circumstances, the timeframe to complete the process of registering the assignments of the Trademarks in Malaysia and Brunei to us is estimated to be up to 18 months. For further details, see Section 5.1.1(c) of this Prospectus. Upon registration, our Company will become the registered owner of the Trademarks in Malaysia and Brunei. Prior to the completion of such registration, we continue to depend on the benefits, rights, title and interests in the Trademarks, granted to us by Tan Yu Yeh and Iconic Edge Ltd under the Deeds of Assignment to use the Trademarks.

The Deeds of Assignment are for nominal consideration of RM1. The assignments of the Trademarks, under the Deeds of Assignment, are assignments with goodwill of the business concerned in the goods/services for which the Trademarks shall be registered.

7.27 GOVERNING LAWS AND REGULATIONS

Our business is regulated by, and in some instances required to be licensed under specific laws of Malaysia. The relevant laws and regulations governing our Group which do not purport to be an exhaustive description of all laws and regulations of which our business is subject to are summarised below. Non-compliance with the relevant laws and regulations below may result in monetary and/or custodial penalties and/or any other orders being made.

7.27.1 Governing laws and regulations relating to the industry

(i) Consumer Protection Act 1999

The Consumer Protection Act 1999 ("**CPA**") governs the protection of consumers. Under the Consumer Protection (Safety Standards for Primary Batteries) Regulations 2013 and Consumer Protection (Safety Standards For Toys) Regulations 2009, which were issued pursuant to the CPA, non-rechargeable batteries and toys must adhere to the prescribed safety standards.

Any supplier or importer of such goods has to ensure that the goods have been tested by an accredited laboratory and is in compliance with the prescribed safety standards and shall affix onto such goods the conformity mark in accordance with the Consumer Protection (Certificate of Conformance and Conformity Mark and Safety Standards) Regulations 2010 issued pursuant to the CPA.

The Consumer Protection Regulations (Electronic Trade Transactions) 2012 issued pursuant to the CPA, prescribes that any person operating a business through a website or marketplace must make certain minimum disclosures which include the name of the business operator, registration number of the business or company, email address and telephone number, or the address of the business operator, a description of the main characteristics of the goods or services, the full price of the goods or services including transportation costs, taxes and other costs, the method of payment, the terms and conditions and the estimated time of delivery.

(ii) **Control of Supplies Act 1961**

The Control of Supplies Act 1961 ("**CSA**") is enforced by the Ministry of Domestic Trade and Consumer Affairs, Malaysia ("**MDTCA**") and it provides for the control and rationing of supplies in Malaysia. Under the Control of Supplies (Controlled Articles) Order 2009 which was issued pursuant to the CSA, face masks (surgical/medical) 1-3 plys and N95 are controlled articles whereby the dealing in such controlled articles in the wholesale or retail is subject to the provisions of the CSA.

(iii) **Price Control and Anti-Profiteering Act 2011**

The Price Control and Anti-Profiteering Act 2011 ("**PCAPA**") empowers the MDTCA to determine the maximum, minimum or fixed price for the manufacturing, producing, wholesaling or retaining of goods.

Any person who sells or offers to sell any price-controlled goods not in accordance with the prices determined by the MDTCA commits an offence under the PCAPA.

Any person who, in the course of trade of business who makes an unreasonably high profit in selling or offering to sell or supplying or offering to supply goods also commits an offence under the PCAPA. The mechanism to determine whether profit is unreasonably high is determined by the MDTCA.

(iv) **Sale of Drugs Act 1952 and Control of Drugs and Cosmetics Regulations 1984**

Cosmetic products in Malaysia are regulated under the Control of Drugs and Cosmetics Regulations 1984 which was issued pursuant to the Sale of Drugs Act 1952, and stipulates that no person shall manufacture, sell, supply, import, possess or administer any cosmetic unless it has been notified to the Director of Pharmaceutical Services.

(v) **Weight and Measures Act 1972**

Weight and measuring instruments are regulated under the Weight and Measures Act 1972 ("**WMA**"). The WMA provides that no person shall make or repair for gain or sell or attempt to sell or expose for sale any weight or measure instrument for weighing or measuring without a license issued by the MDTCA.

(vi) **Electricity Supply Act 1990 and the Electricity Regulations 1994**

Importers, manufacturers, exhibitors, sellers and advertisers of electrical equipment are required to apply for a certificate of approval from the Energy Commission of Malaysia pursuant to the Electricity Regulations 1994, which was issued pursuant to the Electricity Supply Act 1990.

All regulated electrical equipment approved by the Energy Commission of Malaysia must be labelled or marked in accordance with the Electricity Regulations 1994.

The potential penalty for not complying with the Energy Commission of Malaysia's requirement to obtain a certificate of approval, in addition to its power to seize, remove, or prohibit the manufacturer, import, display, advertisement or sale of the regulated electrical equipment, is a fine not exceeding RM5,000 and/or imprisonment not exceeding one year under the Electricity Regulations Act 1994 and/or in respect of non-compliance with codes, guidelines, or directions of the Energy Commission of Malaysia, a maximum RM200,000 fine and/or imprisonment for a term of not exceeding two years pursuant to the Electricity Supply Act 1990, which also provides for stricter penalties of RM1 million and/or imprisonment for term of not exceeding ten years, only in the event where the equipment is determined to be likely to cause injury.

(vii) Trade Description Act 2011

The Trade Description Act 2011 is enforced by the MDTCA and provides protection for traders and consumers from unhealthy trade practices.

The act aims to facilitate good trade practices and protect the interest of consumers by eliminating false trade descriptions and false or misleading statements, conducts and practices in relation to the supply of goods and services.

(viii) Occupational Safety and Health Act 1994

Under the Occupational Safety and Health Act 1994 ("**OSHA**"), we have a general duty to our employees to provide and maintain the plants and systems of work that are, so far as is practicable, safe and without risks to health, provide information, instruction, training and supervision to ensure, in so far as is practicable, the safety and health of our employees at work, and to provide a working environment, which is as far as possible safe, without risks to health, and adequate as regards to facilities for their welfare at work. We also have a duty to ensure, in so far as is practicable, that other persons, not being our employees, who may be affected, are not exposed to risks to their safety or health.

(ix) Personal Data Protection Act 2010

The Personal Data Protection Act 2010 ("**PDPA**") governs the laws on processing personal data in commercial transactions to protect personal data of common interest and to ensure information security, network reliability and integrity. Any person or body corporate involved in the processing of personal data by a data user must comply with the Personal Data Protection Principles set by the PDPA.

(x) Communications and Multimedia Act 1998

The Communications and Multimedia Act 1998 ("**CMA**") provides for the powers and functions of the MCMC to regulate the converging communications and multimedia industries in Malaysia. Under the Communications and Multimedia (Technical Standards) Regulations 2000 ("**CMTS**") which are issued pursuant to the CMA, certification is required where any person who uses, offers for sale, sells or has in his possession with a view to sell, any communications equipment.

All communications equipment that are certified by the MCMC or a registered certifying agency must bear the certification mark or label as prescribed in the CMTS. Unless expressly stated otherwise, the general penalty for an offence committed under the CMTS in respect of failure to certify communications equipment is a fine of not exceeding RM100,000 and/or imprisonment of not exceeding six months; and/or the penalty in the event that the communications equipment does not comply with applicable standards under the CMA, is a fine of not exceeding RM100,000 and/or imprisonment not exceeding two years.

7.27.2 Other relevant Malaysian legislation

(i) Employment Act 1955, Labour Ordinance 1958 of Sarawak and Labour Ordinance 1950 of Sabah

The Employment Act 1955 governs the law on the employment contracts entered into between employer and employee in Peninsular Malaysia and the Federal Territory of Labuan, Malaysia while the Labour Ordinance 1958 and Labour Ordinance 1950 governs the labour laws in Sarawak and Sabah respectively. Our Group employs a large number of workers in management as well as at operational level. Our Group also employs a significant number of foreign nationals to maintain an efficient operation. As such, the Employment Act 1955, Labour Ordinance 1958 of Sarawak and Labour Ordinance 1950 of Sabah are important as they stipulate the laws on foreign nationals.

(ii) Sales Tax Act 2018

Sales tax administered in Malaysia is a single-stage tax charged and levied on locally manufactured taxable goods at the manufacturer's level and as such is often referred to as manufacturers' tax. The tax is also imposed on taxable goods imported to Malaysia at the point of entry. In the case of locally manufactured goods, sales tax is charged and levied when such goods are sold or disposed of by the manufacturers. Taxable goods are goods of a class or kind not for the time being exempted from sales tax. General rule is tax is levied on imported and locally manufactured goods (except those exempted by the Ministry of Finance, Malaysia).

As our Group imports goods into Malaysia, our Group is bound by the provisions of the Sales Tax Act 2018.

(iii) Street, Drainage and Building Act 1974

The SDBA is enforced by the local authorities of Peninsular Malaysia and it provides for the requirement of having a CCC or CF for the occupation of any building or any part thereof.

Under the Uniform Building By-Laws 1984 ("**UBBL**") which was issued pursuant to the SDBA, a CCC will only be issued by the local authority upon receipt of certification in relevant forms by a qualified person i.e. an architect, registered building draughtsman or engineer.

A qualified person must be satisfied that, to their best knowledge: (i) the relevant building has been constructed in accordance to UBBL; (ii) any conditions imposed by the local authority have been satisfied; (iii) all essential services have been provided; and (iv) responsibilities have been accepted for the portions that are being concerned with.

A person who occupies a premise without a CCC or CF is subject to a fine of up to RM250,000, imprisonment for a term of up to ten years, or both, under the SDBA.

(iv) Local Government Act 1976, Local Authorities Ordinance 1996 and Businesses, Professions and Trades Licensing Ordinance 1958 of Sarawak, and Local Government Ordinance 1961 of Sabah and Trades Licensing Ordinance 1949 of Sabah

Under the Local Government Act 1976, the Local Authorities Ordinance 1996 and Businesses, Professions and Trades Licensing Ordinance 1958 in Sarawak, the Trades Licensing Ordinance 1949 in Sabah, and the by-laws of the respective local councils and authorities, our stores are required to have business and signboard/advertising licences, display the licences at the store premises, and produce the licences upon request.

Pursuant to the Local Government Act 1976, any person who fails to exhibit or produce his licences on the premises shall be liable to a fine not exceeding RM500 or imprisonment for a term not exceeding six months or both. A similar penalty provision can also be found in the Local Authorities Ordinance 1996 of Sarawak save for the exception that in Sarawak, an absolute fine of RM2,000 will be imposed on those who are found guilty of such offence. In Sarawak, the Business Professions & Trade Licensing Ordinance 1958 imposes an absolute fine of RM1,000 on persons who carry on any business without a valid business licence and The Local Authorities (Advertisements) By-Laws 2012 provides for a fine of not more than RM5,000 and imprisonment of not more than 6 months for not having a signboard licence. In Sabah, the Trades Licensing Ordinance 1949 imposes on such persons, a fine of four times the amount of the licence fee and a further fine of RM10 for each day or part of a day during the period in which the contravention continues.

(v) National Land Code 1965

The National Land Code 1965 governs land matters within Peninsular Malaysia, where our material properties are situated. Pursuant to the National Land Code 1965, the state authority may alienate land subject to such express conditions and restrictions in interest which shall be determined by the state authority at the time when the land is approved for alienation and every condition or restriction in interest imposed under this section shall be endorsed on or referred to in the document of title to the land.

(vi) Fire Services Act 1988

The Fire Services Act 1988 ("**FSA**") provides for the effective and efficient functioning of the Fire and Rescue Department of Malaysia, for the protection of persons and property from fire risks or emergencies. The FSA provides, amongst other matters, that a fire certificate be issued only after the designated premises have been inspected and the Fire and Rescue Department of Malaysia is satisfied that there are adequate facilities for life safety, fire prevention, fire protection and fire-fighting.

Where there is no fire certificate in force, the owners of such premises may become subject to a fine of up to RM50,000 and/or imprisonment of up to five years (or both) and such owners may also be required to cease the use of such premises, including by any tenants of such premises.

7.28 MAJOR LICENCES, PERMITS AND APPROVALS

We are required to obtain business and signboard licences for each of our stores and warehouses in Malaysia and signboard approval only in Brunei prior to commencing operations for each of our stores and warehouses. The business licence is a licence granted to the store or warehouse facility to undertake business operations within the premises whereas the signboard licence is granted to enable the store or warehouse facility to display its signboard and advertisements on the premises.

As at the LPD and as detailed in Section 5.1.13 of this Prospectus, 112 of our stores and certain of our warehouses do not have a business licence and/or signboard licence. Such stores have not been issued with the licences due to delays in either licence renewal or the application for new licences. Business licences and signboard licences are subject to examinations or verification by relevant authorities and are valid only for a fixed period of time and subject to renewal. We anticipate a timeframe between 12 and 24 months from the date of this Prospectus to obtain the business licences and signboard licences for our stores.

Our Group has already applied for the outstanding licences mentioned above and the process is ongoing with the relevant authorities.

We are also required to obtain fire certificates for our warehouse facilities. As at the LPD, our warehouses have not been issued with fire certificates. An application for a fire certificate must be accompanied with an approved fire system plan. As at the date of this Prospectus, three applications for a fire certificate, which includes one application for a fire certificate after obtaining approval for the fire system plan, and three applications seeking approval for the fire system plans have been made to the Fire and Rescue Department of Malaysia. An application seeking approval for the fire system plan of one other warehousing facility can only be made once issues relating to the non-compliance of its roof structure with the relevant authorities is resolved and the applications for the remaining four warehouses are in preparation stage since they are new leases.

Our Board endeavours to obtain the licences and fire certificates for the warehouses by December 2022. In respect of the remaining warehouse, Facility G, the Board anticipates a timeframe of up to 24 months from the date of this Prospectus to obtain the licences and fire certificate, subject to resolving the issues relating to its non-compliant roof structure. Facility G only represents about 6.9% of our total warehouse floor space and in the event that the licences and fire certificate cannot be obtained, we can utilise our 211,000 sq. ft. warehouse facility (Facility H) which commenced operations in July 2020 or rent warehouses within the vicinity.

The total estimated costs to obtain the licences/certificates or to rectify the non-compliances described above is approximately RM11.0 million, of which a total of approximately RM2.0 million has already been incurred up to the LPD.

The total number of affected stores with outstanding licences is not expected to have a material adverse effect on our operations as each store only represents on average 0.1% of our Group's revenue for FYE 31 December 2019 and the simultaneous enforcement on all the affected stores resulting in forced closures of all the affected stores is expected to be remote and the risk diversified since the locations of the affected stores are dispersed throughout Malaysia. In respect of the warehouses and storage units which do not currently have licences and/or fire certificates, we do not foresee a material adverse effect on our operations as the process of applying for the licences and fire certificates is ongoing and we are engaging with the respective authorities to obtain the licences and fire certificates.

We will continue to update our shareholders on the status of our efforts to remedy the abovementioned non-compliances through our annual reports.

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Date: 22 September 2020

The Board of Directors
Mr D.I.Y. Group (M) Berhad
Lot 1907, Jalan KPB 11,
Kawasan Perindustrian Balakong,
43300 Seri Kembangan, Selangor
Malaysia.

Dear Sirs / Madams,

Independent Market Research on the Home Improvement Retail Sector in Malaysia and Brunei for Mr D.I.Y. Group (M) Berhad ("MDGM" or the "Company")

We, Frost & Sullivan GIC Malaysia Sdn Bhd ("**Frost & Sullivan**"), have prepared this Independent Market Report on the Home Improvement Retail Sector in Malaysia and Brunei ("**IMR Report**") for inclusion in MDGM's prospectus in relation to the listing of and quotation for the entire ordinary shares in MDGM on the Main Market of Bursa Malaysia Securities Berhad ("**Prospectus**").

We are aware that this IMR Report will be included in the Prospectus and we further confirm that we are aware of our responsibilities under Section 215 of the Capital Markets and Services Act, 2007.

We acknowledge that if we are aware of any significant changes affecting the content of this IMR Report between the date hereof and the issue date of the Prospectus, we have an ongoing obligation to either cause this IMR Report to be updated for the changes and, where applicable, cause MDGM to issue a supplementary prospectus, or withdraw our consent to the inclusion of this IMR Report in the Prospectus.

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

For and on behalf of Frost & Sullivan GIC Malaysia Sdn Bhd:

June Liang Pui San
Country Head, Malaysia

FROST & SULLIVAN

Methodology

For the purpose of preparing this Report, Frost & Sullivan has conducted primary research encompassing interviews with industry experts and industry players, and secondary research, which included reviews of company reports, official websites/social media pages, independent research reports, information from industry associations/authorities/international organisations, and information from Frost & Sullivan research database. Unless being made available in the publicly available sources, projected data was derived by Frost & Sullivan using historical data analysis with the consideration of the social, economic, and political environments in the relevant markets from 2020 to 2024.

Comparable key home improvement retailers identified in this report have been selected from a long list of brands developed by screening directories and visiting key shopping malls and shop lots in each respective country as well as discussing with industry players. Subsequently, the list was presented and discussed with industry players and experts[1] that agreed to be interviewed for the purpose of the analysis. Information were further validated via public information through secondary research (which covers reviews of company reports, official websites/social media channels, independent research reports, information from industry associations/authorities/internal organisations, as well as information from Frost & Sullivan research database) and fine-tuned by contacting identified brands (e.g. face-to-face, telephonic method, official social media platforms, among others).

Profile of Frost & Sullivan GIC Malaysia Sdn Bhd

FROST & SULLIVAN is a global independent industry research and consulting organisation headquartered in the United States of America with over 60 years of establishment. In Malaysia, FROST & SULLIVAN's subsidiary, Frost & Sullivan GIC Malaysia Sdn Bhd, operates two offices (Kuala Lumpur and Iskandar Malaysia) with more than 200 employees offering market research, marketing and branding strategies and business advisory services across 12 industries. FROST & SULLIVAN is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other related fund-raising and corporate exercises.

Profile of the IMR signee, June Liang Pui San

June Liang is the Country Head, for Frost & Sullivan GIC Malaysia Sdn Bhd. June Liang possesses over 22 years of experience in market research and consulting, including over 13 years in independent market research and due diligence exercises for capital markets across the Asia Pacific region. June Liang holds a LLB (hons) from University of Wales, Cardiff and MBA from Imperial College.

For further information, please contact:

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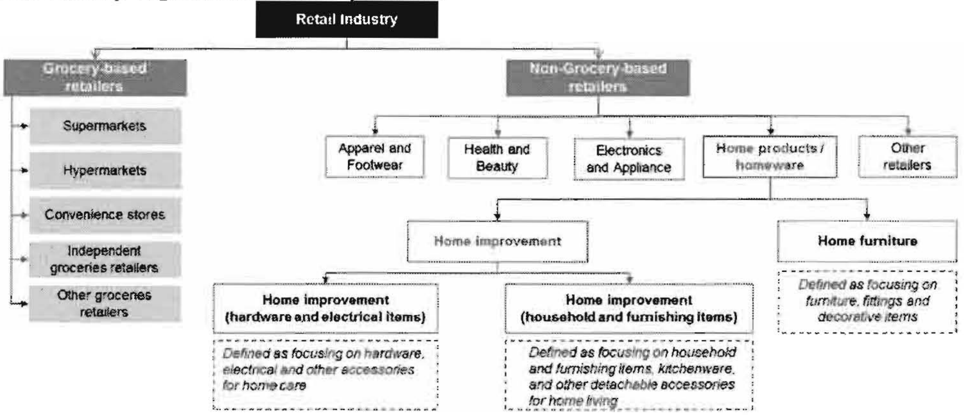
[1] Industry players are individuals currently or previously working for key home improvement retailers. Industry experts are individuals with in-depth knowledge on the industry (e.g. industry analysts).

1 INTRODUCTION TO THE HOME IMPROVEMENT RETAIL SECTOR

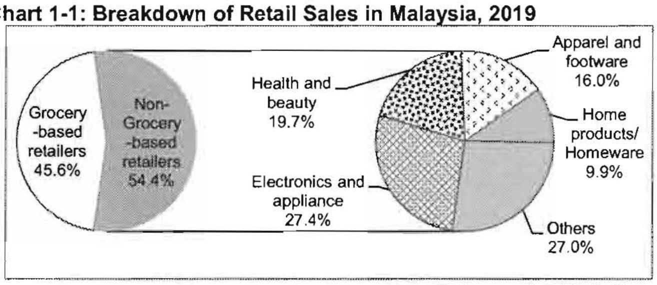
1.1 DEFINITION AND SEGMENTATION

Figure 1-1: Retail Industry Segmentation in Malaysia, 2020



Note: Other retailers include department stores and other non-grocery retailers.
Source: Frost & Sullivan

Chart 1-1: Breakdown of Retail Sales in Malaysia, 2019



Source: Frost & Sullivan

Malaysia's retail industry can be segmented into grocery and non-grocery based retailers. Grocery based retailers predominantly focus on the sale of food and beverages ("**F&B**") with some selling household supplies and other housing goods (e.g., detergents), lifestyle items (e.g., clothing, luggage) as well as consumer products (e.g., stationery, toys). Non-grocery based retailers, on the other hand, focus mainly on non-F&B products. Retailers within this segment are typically categorised by their product focus.

The non-grocery segment also covers home products, also known as homeware, which can be further categorised into home furniture and home improvement. Home furniture retailers generally focus on products such as furniture (e.g., beds, wardrobes, kitchen cabinets), fittings (e.g., kitchen and bathroom accessories) and decorative items (e.g., curtains, carpets).

Home improvement comprises activities such as renovating, remodelling and upgrading items and house interiors. Related products within this segment can be further categorised by their focus within hardware, electrical items and household and furnishing[2]. Besides the above-mentioned product categories, home improvement retailers also sell a wide range of consumables or daily use products such as jewellery (may include hair or body accessories), cosmetics, car accessories, toys, stationery and sports equipment.

MDGM is a leading market player within the home improvement segment in Malaysia. The retailer's hardware, household and furnishing and electrical product categories were its largest revenue contributors. The above-mentioned product categories together with stationery and sports equipment, contributed to approximately 76.1% of MDGM's total revenue in the financial year ended 31 December 2019.

1.2 EVOLUTION OF THE RETAIL SALES CHANNELS

Rapid urbanisation, modernisation, and solid domestic demand are key factors driving the development of Malaysia's retail landscape. Within the home improvement segment, retail activities are gradually shifting from traditional to modern retail channels. The business models of traditional or general retail, often termed as "mom-and-pop" stores, are typically less structured and usually operated by individuals or as family businesses.

Some traditional stores cover broad product categories (e.g., dry markets) or specialised goods (e.g., hardware stores). Traditional retailers usually operate on a small scale and focus on a single product segment, e.g., either hardware or household items and may carry limited branded goods to cater to the demand of households within the vicinity (e.g., neighbourhood sundry shops). The modern retail channels do not focus on a single product segment, but offer a variety of products. Most modern retail stores are owned by large corporate entities and established as chain stores with broad geographical coverage.

[2] Furnishing in the Household and Furnishing category excludes furniture (e.g., beds, wardrobes, kitchen cabinets) from the focus products.

2 ANALYSIS OF THE HOME IMPROVEMENT RETAIL SECTOR IN MALAYSIA

2.1 MACROECONOMIC OVERVIEW

2.1.1 Strong Gross Domestic Product ("GDP") Growth

Chart 2-1: Malaysia GDP at Constant Prices, 2014, 2019 and 2024F

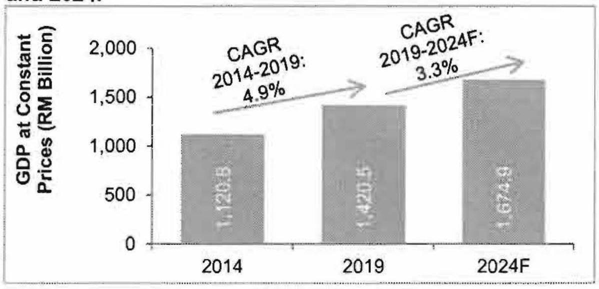
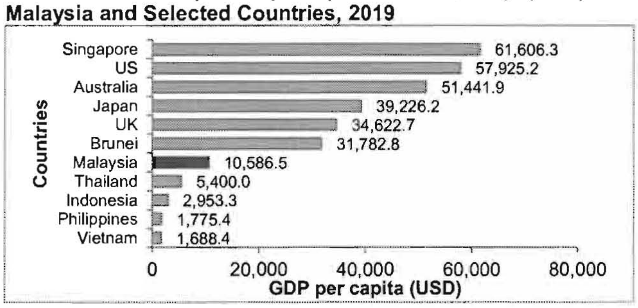


Chart 2-2: GDP per Capita (Constant Prices) (USD) of Malaysia and Selected Countries, 2019



*Source: Department of Statistics Malaysia ("**DOSM**"); International Monetary Fund ("**IMF**") (World Economic Outlook ("**WEO**"), (October 2019, April 2020 and June 2020 databases); Frost & Sullivan*

Following the real GDP growth rates of 6.0% and 5.0% in 2014 and 2015, respectively, the Malaysian economy slowed down in 2016 to a 4.4% real GDP growth, mainly due to the prolonged decline in global oil prices and oil export revenues. In 2018, the shift in the political landscape, the expansions in domestic demand, as well as the higher growth in net exports, contributed to an overall positive sentiment on the economy[3], which grew by 4.7%, while in 2019 the GDP grew by 4.3% supported by higher private sector spending and further growth in domestic demand[4]. The country's economy is forecasted to expand at a compound annual growth rate ("**CAGR**") of 3.3% between 2019 and 2024F, mainly driven by increasing private sector expenditure, in turn, boosting income growth and employment opportunities[5]. Malaysia's GDP per capita at constant prices was RM36,498.7 (USD8,922.4) in 2014 and RM43,305.7 (USD10,586.5) in 2019, and it is projected to grow to RM47,969.7 (USD11,726.6) by 2024F[6], in line with the positive GDP growth forecast.

2.1.2 Growing Population and Urbanisation in Malaysia

Table 2-1: Population and Urban Population in Malaysia, 2014–2024F

Population	2014	2015	2016	2017	2018	2019E	2020F	2021F	2022F	2023F	2024F
Population (in millions)	30.7	31.2	31.6	32.0	32.4	32.8	33.2	33.6	34.1	34.5	34.9
Urban population (%)	73.6%	74.2%	74.8%	75.4%	76.0%	76.6%	77.2%	77.7%	78.2%	78.7%	79.2%

*Note: Population (in millions) from IMF. Urban population (%) calculated based on data of Urban and Rural Population by the United Nations ("**UN**").*
Source: IMF (WEO, October 2019); UN

Table 2-2: Estimated Population and Population Density by Regions[7] in Malaysia, 2019E

Malaysia	Population (thousand)	Area (km²)	Population Density (people/km²)
Peninsular Malaysia			
Central	8,464.1	8,243	1,027
East Coast	4,840.8	63,963	76
Northern	6,762.7	32,336	209
Southern	5,865.5	27,536	213
East Malaysia	6,868.0	198,447	35

Source: DOSM; IMF; Frost & Sullivan

Malaysia's population grew from 30.7 million in 2014 to 32.8 million people in 2019 at a CAGR of 1.3%[8]. According to the UN, the urban population in Malaysia grew from 73.6% to 76.6%[9] of the total population over the same period, and forecasted to further grow to 79.2% by 2024F. Urbanisation is encouraging the development of new residential properties and townships, driving demand for home improvement items in line with the increase in home dwellers.

2.1.3 Growing Income

Table 2-3: Disposable Income Per Capita, (RM '000) in Malaysia, 2014–2024F

Disposable Income Per Capita (RM '000)	2014	2019	2024F	CAGR 2014 - 2019	CAGR 2019 – 2024F
Malaysia	19.3	25.5	32.1	5.7%	4.7%

Source: IMF (WEO, October 2019); Frost & Sullivan

[3] Bank Negara Malaysia ("**BNM**"), BNM Quarterly Bulletin – 4Q 2018
[4] BNM Quarterly Bulletin – 4Q 2019
[5] BNM Quarterly Bulletin 4Q 2018, February 2019.
[6] For reference purpose, the data is converted from RM into US using a Fixed Exchange Rate for 2019 of USD1=RM4.0907.
[7] Central region: state of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya. East Coast region: state of Kelantan, Terengganu and Pahang. Northern region: state of Perlis, Kedah, Pulau Pinang and Perak. Southern region: state of Johor, Melaka and Negeri Sembilan. East Malaysia: state of Sabah and Sarawak and the Federal Territory of Labuan.
[8] Derived using area data from DOSM's Population and Housing Census 2010 and Principal statistics of population, Malaysia, 2010-2020.
[9] UN, World Urbanization Prospects 2018, May 2018.

The positive economic situation in Malaysia is contributing to rising income and emergence of the middle income class. The disposable income per capita in Malaysia is forecasted to grow in the period from 2019 to 2024F.

Table 2-4: Percentage of Households by Monthly Household Gross Income Class in Malaysia, 2014, 2019

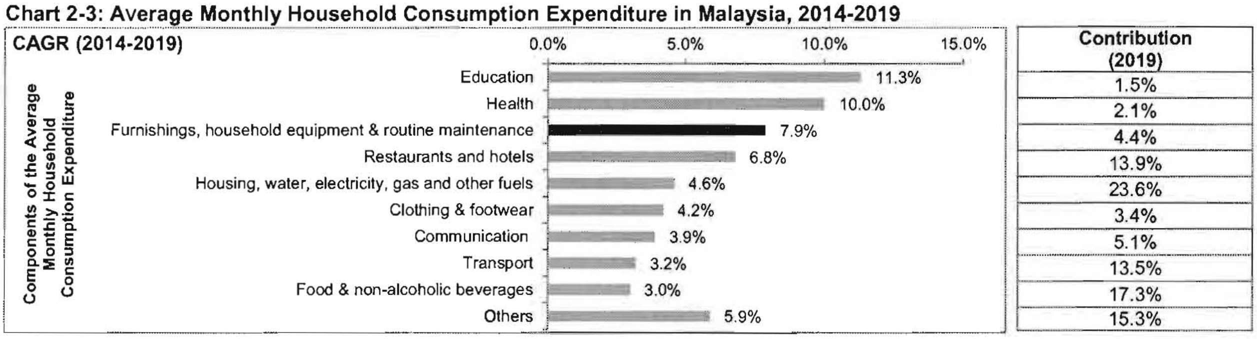
Number of Households (%)	2014	2019	Delta 2014-2019
<RM4,999	54.9%	41.8%	**-13.1%**
RM5,000–RM9,999	31.4%	34.6%	**3.2%**
RM10,000–RM14,999	8.3%	13.6%	**5.3%**
>RM15,000	5.4%	10.0%	**4.6%**

Notes: "Delta" refers to the difference between the values in 2019 compared to 2014.
Source: DOSM, Frost & Sullivan

The number of households with a monthly income below RM4,999 declined as a percentage of the total population from 2014 to 2019 due to the overall growth in income, with an increasing number of households earning more than RM5,000 per month. In particular, the number of households with a monthly income between RM10,000 and RM14,999 grew faster as compared to other income bands during the same period. The rising income is contributing to greater household purchasing power for various items, including the purchase of home improvement products.

2.1.4 Increasing Household Consumption Expenditure across Various Segments

Chart 2-3: Average Monthly Household Consumption Expenditure in Malaysia, 2014-2019



Notes: (1) Others include alcoholic beverages, tobacco, recreation services, culture and miscellaneous goods and services; (2) Contribution data do not add up to 100% due to rounding.
Source: DOSM; Frost & Sullivan

Between 2014 to 2019, the total average monthly household expenditure in Malaysia increased from RM3,578 to RM4,534 at a CAGR of 4.8%. In particular, total average monthly household expenditure for furnishing, household equipment, and routine household maintenance[10] increased from RM137 to RM200 at a CAGR of 7.9% during the same period. Spending across other categories, in particular, babies and children products, has also been growing due to the willingness and propensity of households in Malaysia to spend on these products. For example, the average monthly household expenditure on toys and games in Malaysia increased from an estimated RM11.0 in 2014 to RM17.2 in 2019 at a CAGR of 9.4%[11]. The value is forecasted to grow at a CAGR of 9.9% in the period between 2019 and 2024F, potentially reaching RM27.6 by 2024F.

2.1.5 Overall Outlook

Malaysia's socioeconomic fundamentals are expected to remain stable, driven by steady population growth, strong domestic consumption, and robust trading activity. The services and manufacturing sectors are expected to drive the expansion. Increases in wages and employment opportunities will support the service sector growth. The manufacturing sector is expected to gain from the recovery in commodity supply. Household spending is likely to benefit from continued employment and income growth. In the second quarter of 2020, private consumption declined quarterly by 18.5% compared to the 6.7% growth registered in the first quarter of 2020[12], as it was affected by the recent Covid-19 outbreak and the Movement Control Order ("**MCO**"). The Malaysian government has since announced a RM260 billion Prihatin Rakyat Economic Stimulus Package (PRIHATIN) and a RM35 billion short-term economic recovery plan (PENJANA) to strengthen private consumption growth and domestic demand, among others[13].

[10] Expenditure items follow the recommendations of the UN, Classifications of Individual Consumption According to Purpose. Furnishings, household equipment and routine household maintenance broadly include categories of i) furniture, furnishings and loose carpets, ii) household textiles, iii) household appliances, iv) glassware, tableware and household utensils, v) tools and equipment for house and garden, vi) goods and services for routine household maintenance.
[11] Frost & Sullivan estimates.
[12] BNM Quarterly Bulletin – 2Q 2020
[13] Prime Minister's Office, "Teks Ucapan, Pelan Jana Semula Ekonomi Negara (PENJANA)", 5 June 2020.

2.2 INDUSTRY SIZE AND GROWTH TRENDS

The sales revenue of the retail industry in Malaysia grew from RM187.4 billion in 2014 to RM248.2 billion in 2019 at a CAGR of 5.8%. From 2019, the sales revenue is projected to reach RM327.7 billion by 2024F, due to rising disposable income levels, which is also supporting the expansion of physical and online retail channels.

Chart 2-4: Retail Sales Value in Malaysia, 2014–2024F

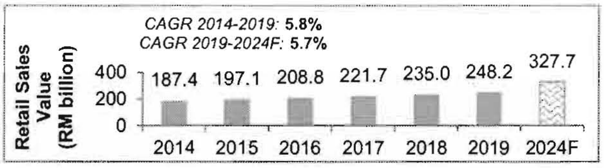
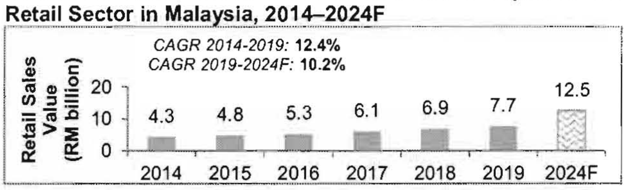


Chart 2-5: Retail Sales Value of the Home Improvement Retail Sector in Malaysia, 2014–2024F



Source: Frost & Sullivan

From 2019 to 2024F, the home improvement retail sector is expected to expand from RM7.7 billion to RM12.5 billion at a CAGR of 10.2%. In the first half of 2020, home improvement retailing was impacted by the MCO, implemented by the Malaysian Government. The MCO was introduced due to the COVID-19 outbreak to restrict the movement of people and prevent disease transmission. While COVID-19 impacted overall retail sales in physical stores due to less footfall to malls and shopfront stores, the sale of home improvement products was less impacted as people purchased do-it-yourself home improvement products online as they spent more time at home. Home improvement stores that focus on hardware products were among the first to be allowed to operate during the first extension of the Movement Control Order in April 2020, although only on selected days and with shorter operating hours. In May 2020, more businesses were allowed to operate following Standard Operating Procedures as per Malaysia National Security Council after the gradual lifting of movement restrictions. Both the retail industry and home improvement retailing are forecasted to recover in the second half of 2020 as movement restrictions are gradually lifted. During the MCO, consumers repaired damaged housing items on their own due to movement restrictions which limited the services provided by the professional home improvement contractors, and therefore the demand for home improvement products. As the movement restrictions are gradually lifted, the market is expected to recover as professional home improvement contractors are expected to purchase home improvement products to service households. As a result of the COVID-19 impact on the economy, it is observed that consumers are more price sensitive due to threat of unemployment and retrenchment. Frost & Sullivan opines that retailers who focus on a low price strategy are more competitive and well positioned to perform well during this uncertain period.

In the long run, the creation of new townships due to urbanisation and the resulting emergence of new residential and commercial areas are likely to provide more opportunities for home improvement retailers to increase their presence, stimulating demand in the underserved and unserved areas[14]. This is also anticipated to catalyse demand and supply of the Malaysian home improvement retail sector[15]. Retailers may also stimulate demand and industry growth via regular sourcing and introduction of new products in the market.

Increasing e-commerce participation by consumers and retailers is projected to stimulate home improvement retail sales. Internet penetration in Malaysia reached 90.1% in 2019[16], while the gross merchandise value of e-commerce is projected to grow from USD1.0 billion in 2015, to USD3.0 billion in 2019, to USD11.0 billion by 2025F, at a CAGR of 27.1% in the period from 2015 to 2025[17]. Overall, retailers are focused on creating a seamless omnichannel shopping experience including providing convenience through cashless transactions[18,19].

Despite higher consumer price index for furnishing, household equipment, and routine household maintenance from 106.4 points in 2014 to 116.4 points in 2019[20], the total average monthly household expenditure on this segment increased from RM137 in 2014 to RM200 in 2019 at a CAGR of 7.9%. The trend underscores the resilient demand for home improvement products irrespective of economic conditions or price increase.

The cost of goods and services continues to rise due to factors such as higher material input and import prices, the implementation and subsequent abolishment of Goods and Services Tax ("**GST**") in May 2018 and replacement with Sales and Services Tax ("**SST**") in September 2018, and depreciation of the ringgit. The rising living costs drive consumers to be more value conscious and seek products with lower costs and higher value.

[14] Areas with minimal or no retailers offering similar home improvement products.
[15] More information and data available in the section on the retail supply and retail channels.
[16] DOSM, Internet Use and Access by Individuals and Households Survey Report 2019.
[17] Google Temasek, e-Conomy SEA 2019, October 2019.
[18] Seamless buying experience across online and offline touchpoints e.g., stores, mobile browsing, e-commerce marketplace, social media.
[19] The Edge Markets, "2010>2019: Decade of Disruption – Technology – Disruptor and Enabler for Retail", January 2020.
[20] DOSM, Consumer Price Index December 2014 and December 2019.

2.3 RETAIL SUPPLY AND RETAIL CHANNELS

The expansion of the overall retail space in Malaysia has contributed to an increase in floor space and number of stores by home improvement retailers over the 2014 to 2019 period.

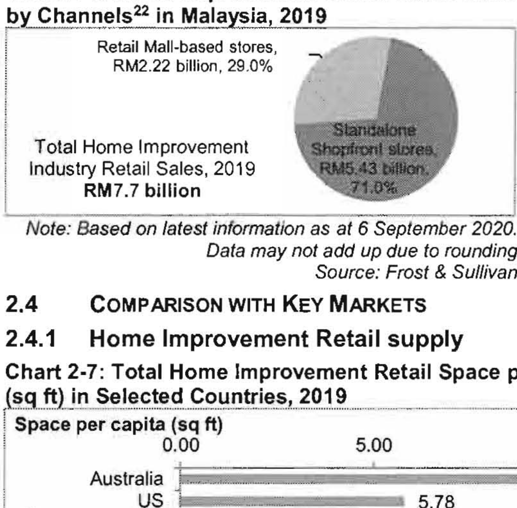
Table 2-5: Retail Space of Home Improvement Retail Sector in Malaysia, 2014–2019

	2014	2015	2016	2017	2018	2019	CAGR (2014-2019)
Number of Stores	6,468	6,509	6,587	6,679	6,893	7,093	1.9%
Total space (million sq ft)	20.0	20.3	20.7	22.1	23.4	24.6	4.2%
Space per capita (sq ft)	0.65	0.65	0.66	0.69	0.72	0.77	3.4%

Source: Frost & Sullivan

Between 2014 and 2019, total retail space for the home improvement retail sector grew faster than growth in the number of stores due to the higher number of chain retailers setting up new stores with on average larger stores (in terms of square feet) compared to stores operated by independent retailers. The majority of the chain retailers are mainly concentrated in the Klang Valley[21], while several players such as Daiso and Yubiso, have expanded their presence to other major economic hubs in the country such as Penang and Johor Bahru. MDGM is the only chain player with a nationwide presence. Independent home improvement retailers are mainly present within commercial zones of suburban and rural districts. Nonetheless, Frost & Sullivan observes that the number of independent home improvement retail stores had declined in 2016 and 2017 from 6,064 in 2015 to 5,858 in 2017 due to the higher cost and complexity of business operations after the implementation of GST in 2015. The number is estimated to have risen back to 5,859 stores in 2019 from 5,831 stores in 2018 as new stores were opened in new locations and shops that closed down in the previous years were replaced by new stores. The number of independent home retail stores is forecasted to remain stable moving forward. States such as Kedah, Perlis and Kelantan have a lower penetration by large chain retailers compared to Klang Valley, Melaka and Johor, suggesting significant growth potential for the home improvement retail sector via the setting up of new stores in underserved areas.

Chart 2-6: Home Improvement Sector Retail Sales by Channels[22] in Malaysia, 2019



Note: Based on latest information as at 6 September 2020. Data may not add up due to rounding
Source: Frost & Sullivan

Retail mall-based stores constitute only 29.0% of the home improvement sector retail sales in 2019. Nevertheless, the number is forecasted to increase as shopping malls are considered an attractive location for chain retailers to reach a larger consumer base. The total space of shopping complexes[23] in Malaysia increased from 13.0 million square metres (sqm) in 2014 to 16.5 million sqm in 2019, growing at a CAGR of 4.9%[24], and it is forecasted to continue growing. Within the five largest shopping malls in Malaysia (in terms of gross floor space) as at 2019, Mid Valley Megamall & The Gardens, Sunway Pyramid and 1 Utama ranked top three by footfall.

2.4 COMPARISON WITH KEY MARKETS

2.4.1 Home Improvement Retail supply

Chart 2-7: Total Home Improvement Retail Space per Capita (sq ft) in Selected Countries, 2019

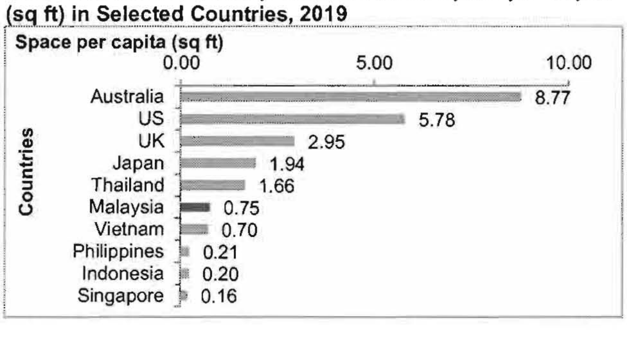
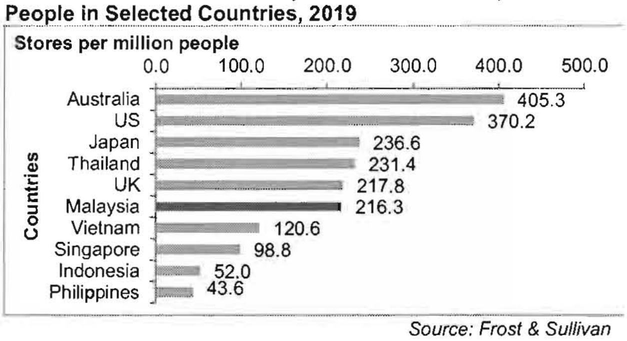


Chart 2-8: Total Home Improvement Stores per Million People in Selected Countries, 2019



Source: Frost & Sullivan

The supply of retail space in Malaysia is still underdeveloped and underpenetrated compared to other advanced economies, with significantly lower square feet per capita for both total retail space and space of the home improvement retail sector. Furthermore, population growth and urbanisation provide opportunities for developers to build new residential and commercial properties, and for home improvement retailers to set up new stores to serve

[21] Klang Valley is defined as the area of Kuala Lumpur and other adjoining cities and towns in the state of Selangor.
[22] Retail mall-based stores include stores located in shopping malls and within, or adjacent to, supermarkets and hypermarkets owned and operated by established mass merchandise retailers (e.g. AEON, Tesco, Giant). Standalone shopfront stores refer to stores that occupy shop lots.
[23] Data of shopping complexes are used as proxy for shopping malls.
[24] National Property Information Centre (NAPIC), Commercial Property Stock Table.

new catchment areas[25] that provide favourable conditions for the supply of home improvement retail space; while net absorption[26] for commercial properties is projected to remain positive.

2.4.2 Home Improvement Retail Sales

Chart 2-9: Retail Sales of the Home Improvement Retail Sector per Capita in Selected Countries (USD), 2019

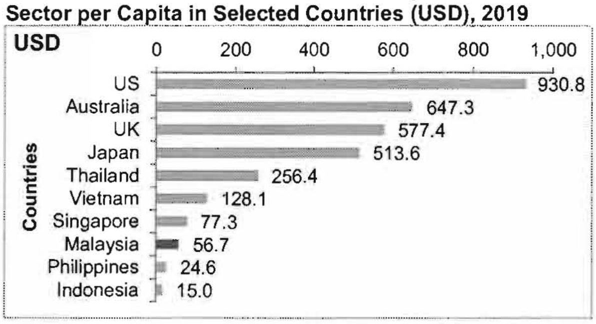


Table 2-6: Growth in Retail Sales of the Home Improvement Retail Sector per Capita in Selected Countries (Based on Local Currency), CAGR 2014-2019, CAGR 2019-2024F

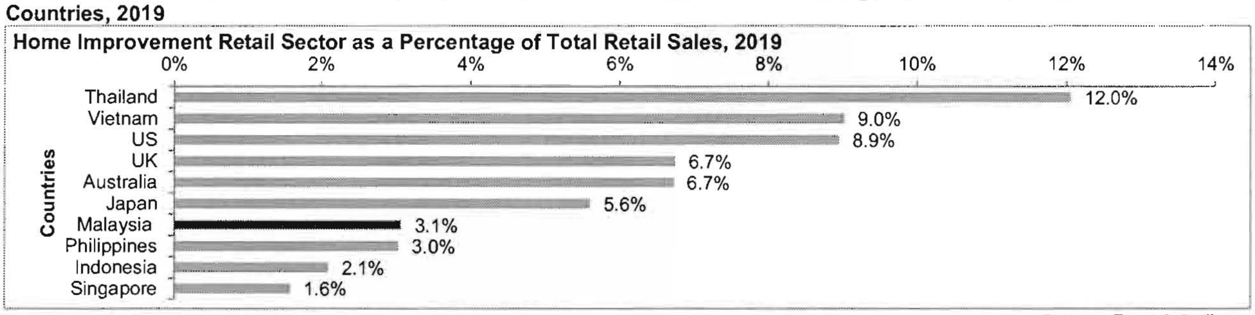
Countries	CAGR (2014-2019)	CAGR (2019-2024F)
US	3.4%	4.2%
Australia	0.7%	2.4%
UK	1.2%	1.9%
Japan	2.0%	2.2%
Thailand	2.5%	4.5%
Vietnam	8.0%	10.7%
Singapore	1.1%	0.9%
Malaysia	10.8%	8.9%
Philippines	6.4%	8.2%
Indonesia	6.1%	8.3%

Source: Frost & Sullivan

Malaysia recorded home improvement retail sales per capita at USD56.7 in 2019, substantially below the home improvement retail sales per capita of developed countries such as the United States of America ("**US**"), Australia and the United Kingdom ("**UK**") at USD930.8, USD647.3 and USD577.4 respectively and also lower than neighbouring countries like Thailand, Vietnam and Singapore. Home improvement retail sales per capita (in local currency) in Malaysia is expected to grow at a CAGR of 8.9% from 2019 to 2024F, higher than the growth rate forecast for the developed and the key neighbouring Association of Southeast Asian Nations ("**ASEAN**") countries (except Vietnam) due to the anticipated continued growth in disposable income in the forecast period.

2.4.3 Home Improvement Retailing in Global Context

Chart 2-10: Retail Sales of the Home Improvement Retail Sector as a Percentage of Total Retail Sales in Selected Countries, 2019



Source: Frost & Sullivan

Retail sales of the home improvement retail sector as a percentage of total retail sales in Indonesia, Philippines, Malaysia and Singapore are generally lower than in more developed countries. Given the availability of cheap labour, these countries show greater preference for "do-it-for-me" rather than "do-it-yourself" culture in developed economies. Nevertheless, Vietnam, Malaysia, Indonesia, and Philippines are projected to have the fastest growth rate of home improvement retail sales per capita over the period from 2019 to 2024F at a CAGR of 10.7%, 8.9%, 8.3%, and 8.2% respectively, with increasing acceptance of the "do-it-yourself" trend due to online influences and cultivation of this culture through the offline community.

2.5 BARRIERS TO ENTRY

Difficulty gaining market share in the competitive and fragmented market: Given the wide availability of home improvement product categories in many retail store formats, it may be difficult for new entrants to gain market share. It is likely to be challenging for new players to break even and be profitable compared to large players due to the rising costs associated with product distribution, staff training and marketing, among others.

Intense price competition: Existing large and chain home improvement retailers may have an advantage over new entrants since they are able to sell at a lower price due to good relationship with suppliers and economies of scale. Pricing is a key determinant for home improvement products in Malaysia due to the homogeneous product nature, enabling consumers to switch among different brands and purchase points easily. Malaysian consumers, especially

[25] The Star Online, "Retail sector positive but challenging", December 2018.

[26] Net absorption refers to the change in physically occupied space between two periods. It is the sum of square feet that became physically occupied minus the sum of square feet that became physically vacant during a specific period.

the low and mid-income groups, are more sensitive to price hikes of daily essential items due to the rising living costs attributable to inflation and the implementation of GST (in 2015), and subsequent substitution with SST implementation (in 2018).

Setting-up stores in shopping malls: It may be difficult for a new home improvement retailer to secure retail space at some desired locations as popular shopping malls usually have a long waiting list and stringent tenant selection criteria. Furthermore, existing players may have negotiated for a longer lease period and caps on rental, which could make it more difficult and costly for new entrants to establish their presence.

2.6 INDUSTRY RISKS AND MITIGANTS

Intense competition and difficulty retaining customer loyalty: While increasing competition among home improvement players could reduce brand loyalty, reputable retailers with strong market presence could have a competitive advantage over newer market entrants due to their strong foothold in the market.

High price sensitivity of customers: The increasing focus on quality and customer services are key areas, in line with the estimation of Malaysia to become a high-income nation within 10 years from 2020[27], likely to reduce customer sensitivity to price in the long-run and support stronger market growth.

Rising costs of doing business: While the escalating cost of doing business may reduce the profitability of home improvement retailers, participants with a large number of stores may be able to achieve better economies of scale, remaining competitive and profitable compared to home improvement retailers with a low number of stores.

2.7 COMPETITIVE LANDSCAPE

The home improvement retail sector in Malaysia is highly fragmented with both chain retail stores (such as MDGM and Ace Hardware) and standalone independent retail stores. The industry comprises numerous companies and brands, both local and international, offering a wide variety of home improvement products. Despite selling a wide variety of product categories, players tend to focus on a single or, on average, two key product categories as their main product offering.

2.7.1 Profiles of Key Players

The majority of physical stores of home improvement chain retailers in Malaysia are located in major cities while small independent companies concentrate mostly in states where their headquarters are located. Overall, Frost & Sullivan estimates that there are 7,093 stores operated by home improvement retailers as at 2019, with the growth driven by chain stores. Among the various participants, MDGM was the largest in Malaysia by geographical coverage and number of stores, with 575 MR. D.I.Y. stores nationwide distributed across all states including Federal Territories as at 31 December 2019, and growing further to 620 stores as at 30 June 2020 and 640 stores as at 6 September 2020. As one of the pioneer home improvement chain retailers in Malaysia, MDGM has the widest array of product categories in the country, including but not limited to, household and furnishing products, hardware products, electrical products, stationery and sports equipment.

Table 2-7: Selected Key Players in the Home Improvement Retail Sector in Malaysia, 6 September 2020

Brand Name[1]	Company in Malaysia	Presence in Malaysia [2]	Stores[3]	Key Product Category
MR. D.I.Y.	MDGM	All States including Federal Territories	640	Household, Furnishing, Hardware, Electrical
One Stop Superstore ("OSS")	One Stop Superstore Sdn Bhd *(under TCT Trading Sdn Bhd)*	SBH, SWK, LBN	83	Household, Furnishing
Daiso	AEON Co. (M) Bhd Newniso Sdn Bhd TLC Dream Sdn Bhd	All States *(except TRG, PHG, LBN)*	76	Household, Furnishing
Supersave	Supersave Group of Companies	SBH, SWK, SGR, NSN, JHR, PHG	71	Household, Furnishing
Yubiso	Yubiso (M) Sdn Bhd	KUL, SGR, PRK, PNG, NSN, JHR, MLK, PHG, KTN, TRG	65	Household, Furnishing
Ninso	Ninso Global Sdn Bhd *(under TCT Trading Sdn Bhd)*	JHR, SWK, SBH, SGR, KUL, MLK, NSN, PHG	42	Household, Furnishing
SWC, Cheap2Shop	SWC Enterprise Sdn Bhd	SGR, PRK, NSN, KTN, MLK	40	Household, Furnishing
Fun N Cheer ("FNC")	Fun N Cheer Sdn Bhd	KUL, SGR, JHR, PRK	31	Household, Furnishing
Kaison	Kaison Furnishing Sdn Bhd	KUL, SGR, PRK, MLK, NSN, KTN, KDH, PHG, SBH, SWK	29	Household, Furnishing
Miniso	Miniso (M) Sdn Bhd	KUL, SGR, PNG, MLK, JHR, PHG, SWK	29	Household, Furnishing
ACE Hardware ("AH")	Giant Ace Sdn Bhd	KUL, SGR, PRK, PNG, JHR	22	Hardware, Electrical
Team DIY Hardware	Team DIY Hardware Sdn Bhd	SGR	14	Hardware
Setiahub	Setiahub Sdn Bhd	KTN, SGR, NSN, KUL	13	Household, Furnishing
Muji	Muji (Malaysia) Sdn Bhd	KUL, SGR, JHR	9	Household, Furnishing
Noko	Megah Inovatif Sdn Bhd	SGR, PNG, JHR	6	Household, Furnishing
5ringgit Shop	Fasons Five Sdn Bhd	PNG, PRK	5	Household, Furnishing

[27] Malay Mail, "World Bank: Malaysia can be high-income nation within 10 years despite Covid-19, but six reforms needed for transition", June 2020

Notes: Data for each company is provided on a best-effort basis based on publicly available information. "N/A" indicates that data/information is not available. (1) The brands listed are home improvement chain retailers that have at least five stores in Malaysia as at 6 September 2020.2019 The brands are sorted based on the total number of stores in Malaysia; (2) Kuala Lumpur (KUL), Selangor (SGR), Negeri Sembilan (NSN), Melaka (MLK), Johor (JHR), Penang (PNG), Perak (PRK), Kedah (KDH), Kelantan (KTN), Terengganu (TRG), Pahang (PHG), Sarawak (SWK), Sabah (SBH), Labuan (LBN); (3) Store count is as at 6 September 2020.
Source: Respective Company Websites; Frost & Sullivan

Among the listed home improvement retailers, MDGM is the only home improvement retailer with presence in all Malaysian states including Federal Territories. In addition, MDGM is the only home improvement retailer focusing on both the hardware and electrical, as well as the household and furnishing product categories.

Within the hardware and electrical product categories, AH is the closest competitor[28] of MDGM with 22 stores, while within the household and furnishing product categories, OSS is the closest competitor with 83 stores.

2.7.2 Product Pricing Comparison

The table below provides a pricing comparison, based on the category of focus for MDGM, for the same branded products or similar products[29] available across the largest home improvement retailers.

Table 2-8: Price Comparison of Selected Comparable Products(1)(2)(3) in the Hardware, Electrical, Household & Furnishing Segments Sold by MDGM and Other Key Chain Home Improvement Retailers, as at 28 February 2020

Category	Brand	Specification	Price Comparison(4)(5) (RM) MDGM	Competitors
Hardware				
Plumbing	Watertac	WTC Hand Bidet + Hose Set 301 WHT	11.68	AH: 20.90; SWC: 13.80; *Avg: 17.35*
Plumbing	Watertac	Wall Sink Tap P301	23.90	AH: 36.90
Fillers	PYE	Puttyfilla Cellulose Filler 1.5kg	11.27	AH: 13.90
Fillers	PYE	Woodfilla Teak 0.5kg	9.98	AH: 12.90
Fillers	PYE	Powderfilla Cellulose Filler 454gm	2.73	AH: 3.50
Solvents	PYE	Drain Clog Free (Drain Renovator Solvent) 500ml	9.00	AH: 11.90
Solvents	PYE	Drain Clog Free (Drain Renovator Solvent) 1litre	15.04	AH: 19.50
Locks	Stelar	Brass Padlock 20mm	1.69	FNC: 1.90
Locks	Stelar	Lock Stelar IMB32mm (CWD-0263)	3.89	FNC: 4.00
Locks	Stelar	Lock Stelar IMB38mm (CWD-0264)	5.19	FNC: 5.00
Locks	Stelar	Padlock TTN-38Lmm (long type)	5.84	FNC: 6.00
Lubricants	WD-40	Multi-purpose oil spray and lubricant 191ml	10.06	SWC: 13.80
Lubricants	WD-40	Multi-purpose oil spray and lubricant 277ml	12.73	AH: 14.90
Electrical				
Batteries	Eveready	Eveready Super Heavy Duty AA (4 units/pack)	6.51	AH: 7.50
Batteries	Eveready	Eveready Super Heavy Duty AA (8 units/pack)	10.90	AH: 12.00
Batteries	Eveready	Eveready Super Heavy Duty AAA (4 units/pack)	6.89	AH: 8.00
Batteries	Energizer	Energizer Max AA 1.5V (2 units/pack)	6.85	AH: 7.90
Batteries	Energizer	Energizer Max AA 1.5V (4 units/pack)	12.38	AH: 13.90
Batteries	Energizer	Energizer Max AAA 1.5V (4 units/pack)	12.38	AH: 13.90
Batteries	Energizer	Energizer Max AAA 1.5V (8 units/pack)	21.68	AH: 23.90
Extension Outlet	LWD	LWD 3 Gang Adaptor Port	18.77	SWC: 26.80
Extension Outlet	LWD	LWD Trailing Socket 2030NSP (3x1.25mm) cable 5M	22.55	SWC: 37.80
Lightings	Philips	Philips Master PL-C 18W/865/2P	6.38	AH: 7.90; SWC: 8.80; *Avg: 8.35*
Lightings	Philips	Philips Master PL-C 13W/827/2P	6.20	Supersave: 9.42
Lightings	Philips	Philips Master PL-C 13W/865/2P	6.46	AH: 7.50
Lightings	Philips	Philips Essential 18W WW E27 220-240V	9.23	SWC: 13.80
Lightings	Philips	Philips Essential 18W CDL E27 220-240V	8.33	SWC: 13.80
Lightings	Philips	Philips Essential 23W CDL E27 220-240V	12.63	Supersave: 16.99
Lightings	Philips	Philips Essential LED bulb CDL 7W E27 6500k 230V	10.90	AH: 13.90; SWC: 13.00; *Avg: 13.45*
Lightings	Philips	Philips Essential LED bulb CDL 9W E27 6500k 230V	11.90	AH: 13.90, SWC: 13.00; *Avg: 13.45*
Lightings	Philips	Philips Tornado 24W CDL E27 220-240V	17.60	SWC: 24.80
Lightings	Philips	Philips MyCare LEDSTICK CDL 5.5W E14 6500k	12.90	AH: 16.90
Lightings	Philips	Philips MyCare LEDSTICK CDL 11W E27 6500k	16.73	AH: 23.90
Household & Furnishing				
Cleaning Agents	Kleenso	9 in 1 Anti-Bacterial Tea Tree Oil Concentrated Floor Cleaner 900gm	13.61	AH: 17.90; SWC: 15.00; *Avg: 16.45*
Cleaning Agents	Kleenso	Serai Wangi Pest Repellent Spray 500ml	8.32	AH: 11.00; SWC: 10.00; *Avg: 10.50*
Cleaning Agents	Kleenso	Serai Wangi Floor Cleaner 900ml	7.85	SWC: 9.00
Housekeeping	Scotch Brite	Heavy Duty Scouring Sponge (1 piece/pack)	3.53	AH: 3.80
Housekeeping	Scotch Brite	Heavy Duty Scouring Sponge (3 pieces/pack)	3.68	AH: 8.20; Supersave: 5.99; *Avg: 7.10*

[28] The closest competitors are chosen based on similarity with the products of focus sold by MDGM (in the hardware and electrical product categories and in the household and furnishing product categories). As at 6 September 2020, the second largest players for each product category based on the number of stores are AH in hardware and electrical, and OSS in household and furnishing.

[29] Products that have similar characteristics (e.g. size, material, functionality, number of items in the package, other visual criteria).

Category	Brand	Specification	Price Comparison(1)(3) (RM) MDGM	Competitors
Door Wedge	Rayaco	Door Stopper (2 pieces/pack)	2.74	SWC: 3.90
Laundry	Elianware	Plastic Clothes Pegs (40 pieces/pack)	5.88	Ninso (Sabah): 3.90
Laundry	Multi-brands	Plastic Clothes Hanger (6 pieces/pack)	1.63	Daiso: 5.90; AH: 6.50; Supersave: 3.50; SWC: 3.80; *Avg: 4.93*
Laundry	Multi-brands	Umbrella Hangers 26's	11.62	SWC: 14.80; OSS (Sabah): 10.50; *Avg: 12.65*

Notes: (1) Comparison of MDGM against the other chain home improvement retailers listed in the competitive landscape table (hardware, electrical, household and furnishing items focused) with five or more stores as at 28 February 2020; (2) Several household and furnishing items are either private label, in-house or unbranded; therefore, this analysis also includes products from different brands that have similar characteristics (e.g. size, material, functionality, number of items in the package, other visual criteria); (3) Based on available product of the same brands and/or similar specifications in the (i) Hardware and Electrical; (ii) Household and Furnishing categories, in MDGM and other comparable competitors' stores (i.e. AH, Supersave, Daiso, FNC, OSS, Ninso, and SWC); (4) Prices retrieved as at the following dates from the following stores: 18 February 2020: MDGM (Mid Valley Megamall), AH (Mid Valley Megamall), Daiso (Mid Valley Megamall)); 21 February 2020: FNC (Kepong outlet), OSS Premium Outlet Iramanis Kolongbong, OSS Premium Outlet Asia City; 22 February 2020: SWC (Batu Caves Outlet); 23 February 2020: Ninso (Kolombong Outlet), Supersave (IOI City Mall Putrajaya); (5) If a product is available at two or more of MDGM's competitors, the term "Avg" indicates the average of the prices by the competitors.

Source: Frost & Sullivan

The price of selected comparable products was generally lower at a MDGM store compared to the stores of other selected chain home improvement retailers in Malaysia. Frost & Sullivan also observed that in 2019, MDGM was a leading distributor in Malaysia for Philips, Faber Castell, Energizer, and brands held by Procter and Gamble.

2.7.3 Market Share Analysis

Chart 2-11: Market Share by Revenue of the Home Improvement Retail Sector in Malaysia, 2019

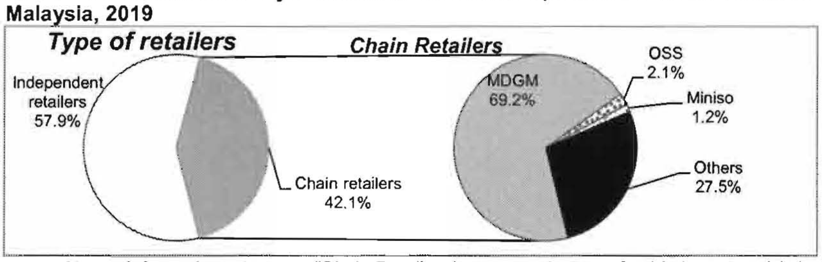
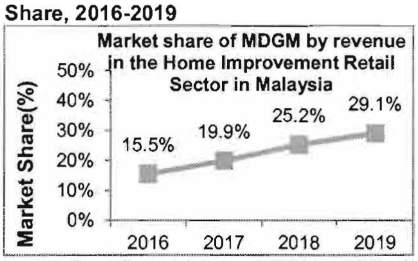


Chart 2-12: Evolution of MDGM Market Share, 2016-2019



Notes: Information relating to "Chain Retailers" as set out in Chart 2-11 is based on (1) the latest available financial data reported by selected players as at 6 September 2020; (2) "Others" include players with a market share of less than 1.0% and estimate for other players for which financial information are unavailable; (3) the revenue reported may include revenue derived from other non-home-improvement retail activities; and (4) revenue estimated for FY2019 for players with different reporting periods.

Source: Frost & Sullivan

As at 2019, MDGM's market share by revenue in the home improvement retail sector is estimated to have increased to 29.1%, from 15.5% in 2016, buoyed by the opening of numerous stores nationwide during the same period. Based on the 29.1% market share by revenue in 2019, MDGM is the market leader in the home improvement retail sector in Malaysia[30]. The market size of RM7.7 billion comprises a large number of small independent home improvement retailers (57.9% market share) and chain home improvement retailers (42.1% market share). MDGM's market share among home improvement chain retailers was 69.2% in 2019. Among home improvement chain retailers, MDGM has a channel market share of 78.5% in standalone shopfront and 64.5% in retail-mall based by revenue, as at 2019.

2.7.4 Benchmarking of MDGM with Public-listed Peers

Table 2-9: Comparison of MDGM(1) Against Key Public-listed Peers(1) with Business Interest in the Home Improvement Retail Sector, ASEAN, as at 31 December 2019

Company	Stores(2)	Geographic Exposure	Key Product Categories within home improvement retail	Revenue CAGR(3) (%)	Gross Profit Margin(4) (%)	Net Profit Margin(5) (%)
MDGM(6)	593	Malaysia, Brunei	Household, Furnishing, Hardware, Electrical	36.1%	42.3%	14.0%
Home Product Center Public Limited	113	Thailand, Malaysia	Hardware, Electrical, Furnishing	2.5%	30.7%	9.2%
Siam Global House Public Company Limited	67	Thailand, Cambodia	Hardware, Furnishing, Electrical	16.4%	23.6%	7.2%
Wilcon Depot, Incorporated	57	Philippines	Hardware, Electrical, Furnishing, Household	17.4%	33.4%	8.7%

[30] The confirmation of MDGM's market positioning in 2019 is by comparing the FY2019 revenue against the revenue of comparable chain home improvement retailers, namely OSS, Miniso, FNC, Ninso, Noko, Team DIY Hardware. The FY2019 revenue is unavailable for Daiso, Supersave, AH, Muji, SWC, Fason Five, Yubiso, Kaison, Setiahub, and accordingly their revenue is estimated by Frost & Sullivan based on the FY2018 revenue observing, amongst others, the number of stores newly established by these players in FY2019, compared to MDGM's addition of 112 MR. D.I.Y. stores in FY2019. For Daiso, Supersave, Yubiso and Kaison the FY2019 revenue is estimated by Frost & Sullivan based on indicative average revenue per store.

Company	Stores[2]	Geographic Exposure	Key Product Categories within home improvement retail	Revenue CAGR[3] (%)	Gross Profit Margin[4] (%)	Net Profit Margin[5] (%)
PT Ace Hardware Indonesia Tbk (" **AHI**")	197	Indonesia	Hardware, Electrical, Household	17.1%	47.7%	12.7%

Notes: Analysis is derived based on the latest group financial information of each respective companies as at 24 July 2020 (i.e. Financial Period December 2019). (1) The financial data for MDGM and selected peers are derived based on the FY2019 financials by each respective company, and may include revenue by other non-home improvement retail activities; (2) Number of stores at group level and may include non-home improvement retail stores as at December 31, 2019; (3) Revenue CAGR is derived based on three latest financial year information available (i.e. FYE December 2017 to FYE December 2019) for each respective company; (4) Gross profit is derived as gross profit over revenue. (5) Net profit is derived as profit after tax over revenue.(6) MDGM's store count and financial information refer to MR. D.I.Y. and MR. TOY.

Source: Respective companies' annual report, Frost & Sullivan analysis

Based on the FYE 31 December 2019, MDGM Group has experienced the highest revenue growth with the largest number of retail stores among the selected public-listed ASEAN retailers with business interests in the home improvement retail sector. In addition, MDGM has also achieved the highest net profit margin and second highest gross profit margin among the public-listed ASEAN peers in the same year.

3 OVERVIEW OF THE HOME IMPROVEMENT RETAIL SECTOR IN BRUNEI

3.1 DEFINITION AND SEGMENTATION

Brunei is the least populous country in ASEAN, with a total population of 459,500 in 2019. Brunei is divided into four main districts, namely, Brunei Muara, Belait, Tutong and Temburong[31]. The total land area in Brunei is 5,765 sq km, and the estimated population per sq km is 80 persons. Brunei is also one of ASEAN's high-income nations due to its abundant energy resources. Similar to Malaysia, non-grocery retailers are categorised based on the main product categories sold. Home product categories are further segmented into home furniture (which sell furniture as the main products) and home improvement retailers that are either focused on hardware and electrical goods or household and furnishing products.

3.2 INDUSTRY SIZE AND GROWTH TRENDS

The growth of the retail (and home improvement) retail sector in Brunei will be driven by the increasing urbanisation rate (from 77.9% in 2019 to 81.1% in 2030), strong purchasing power (GDP per capita of USD31,782.8), which is comparable to that in the UK and Japan (GDP per capita of USD34,622.7 and USD39,266.2 respectively), and rising household expenditure as well as household income. The Brunei's Vision 2035 national plan and the planned structural reforms to stimulate the economy and reduce the dependence on oil revenue are also expected to provide support to the retail trade industry in Brunei as well as the home improvement retailing market going forward.

Table 3-1: Real GDP and Sales Value of Retail Trade, Brunei, 2014–2024F

	2014	2019	2024F	CAGR 2014 - 2019	CAGR 2019 – 2024F
Real GDP (BND million)	18,671.0	19,098.4	21,693.1	**0.5%**	**2.6%**
Retail Sales Value (BND million)	378.8	403.8	444.00	**1.3%**	**1.9%**

Source: DEPD; IMF WEO (October 2019 and April 2020 databases); Frost & Sullivan

3.3 COMPETITIVE LANDSCAPE

Table 3-2: Key Players with At Least Three Stores in the Home Improvement Retail Sector in Brunei, 6 September 2020

Company (HQ)	Year of establishment	Stores	District	Key Product Segments
Ximivogue Brunei (China)	2019	8	Brunei Muara, Tutong	Household, Furnishing
Awinco Sdn Bhd (Hardware) (Brunei)	1999	7	Brunei Muara, Tutong	Hardware, Electrical
Chemiland Enterprise (Brunei)	1997	7	Brunei Muara, Belait	Hardware, Electrical
Waznah Enterprise (Brunei)	n/a	6	Brunei Muara	Household, Furnishing
MDGM (Malaysia)	2016	4	Brunei Muara, Tutong	Household, Furnishing, Hardware, Electrical
W.W. Mart (Brunei)	n/a	4	Brunei Muara	Household
Kim Supersave Department Stores Sdn Bhd (Malaysia)	2010	4	Brunei Muara	Household, Furnishing
Kim Hoe Hardware Sdn Bhd (Brunei)	1984	3	Brunei Muara	Hardware, Electrical

Note: Based on publicly available information as at 6 September 2020.

Source: Frost & Sullivan

The home improvement retail sector in Brunei is highly fragmented, with a large number of small players owning one, two or three stores only. As at 6 September 2020, only seven companies, namely, Ximivogue Brunei, Awinco Sdn Bhd, Chemiland Enterprise, Waznah Enterprise, MDGM, W.W. Mart and Kim Supersave Department Stores Sdn Bhd have four or more home improvement stores in Brunei. Overall, as at 6 September 2020, the key home improvement stores in Brunei are mostly located within the shopping district of Brunei Muara, as the majority of the other home improvement retailers in Brunei are small-scale retailers operating in various other shop lot locations.

[31] Department of Economic Planning and Development ("**DEPD**"), Brunei. Population size refers to mid-year population estimates.

4 PROSPECTS AND OUTLOOK FOR MDGM

The outlook for MDGM is positive, in line with the favourable economic growth for Malaysia and Brunei, which is likely to contribute to higher disposable income for the population, higher spending, and ultimately, retail market expansion. Despite the short term challenges face by the retail market due to the movement restrictions during COVID-19 outbreak, the home improvement retail sectors are less impacted due to the shift to online purchase, and the fact that some of these products are necessities and accordingly the perform well even during economic downturns (but consumers may turn to players offering more competitive pricing).

With increasing urbanisation and household income, the home improvement retail sector in Malaysia is forecasted to grow at a CAGR of 10.2% from RM7.7 billion in 2019 to RM12.5 billion in 2024F, growing faster than the overall retail sector, driven by the expansion of major chain retailers in urban and rural areas, creation of new townships as well as emergence of new residential and commercial areas outside major urban areas.

These positive factors augur well for MDGM, given its vast presence in Malaysia and being the largest home improvement retailer in terms of revenue and number of stores. MDGM is the only home improvement retailer with a presence in all Malaysian states, including Federal Territories. In terms of distribution channels, MDGM is one of the few large chain home improvement retailers with its own online website, allowing the company to reach customers nationwide via online and offline channels. Offline, MDGM is present in multiple retail channels and convenient locations that are easily accessible to customers, such as retail mall-based stores in shopping malls (including Malaysia's top three malls by footfall),and standalone shopfront stores located at shop lots, allowing the company to reach to broader customer segments (e.g. different demographics and disposable incomes). MDGM is the market leader in retail mall-based and standalone shopfront stores, among home improvement retailers, in terms of sales as of 2019. MDGM is likely to benefit from the expected new malls opening in Malaysia, which offers the opportunity to open new stores and reach out to a larger consumer base. As compared to other advanced economies, the underpenetrated supply of retail space and retail sales of home improvement retailing per capita in Malaysia offer the opportunity for home improvement retailers to open new stores to serve new catchment areas especially in states with lower penetration by large chain retailers, such as Kedah, Perlis and Kelantan. Due to the large scale of its operations, MDGM also benefits from economies of scale advantage, enabling the company to negotiate directly with manufacturers or main suppliers, and sell its products at more competitive prices compared to other home improvement retailers, thus increases its profitability. Having its own delivery and warehousing logistics capabilities also allow MDGM to benefit from further cost savings as compared to a third-party outsourcing model. Its centrally managed inventory management and distribution systems help to ensure that MDGM stores have sufficient stock to meet customer demands. The wide product variety available in the stores, in terms of product categories and stock keeping units, as well as availability of both branded and private label products, enable MDGM to offer attractive and comprehensive price-to-quality value propositions to customers as compared to their competitors. As consumers are price sensitive due to the economic slowdown during COVID-19 outbreak, MDGM continues to gain traction and benefit from its competitive pricings compared to other players. Opening its first store in 2005, MDGM continues to boost its high brand visibility as a convenient one-stop destination for customers' home improvement needs through its extensive stores coverage across Malaysia.

MDGM reinforced its presence in Malaysia during the 2014 to 2019 period, setting up many stores across the country. According to Frost & Sullivan, the company demonstrates significant potential to sustain the expansion of its physical presence in the country. In fact, the home improvement retail sector in Malaysia is still underpenetrated compared with other developed markets (in terms of retail space per capita and retail sales per capita). Frost & Sullivan opines that MDGM has considerable opportunity to expand its footprint within the country via the opening of new stores to tap into unserved and underserved areas, including second and third tier cities.

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

9.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

9.1.1 Profiles of our Promoters and substantial shareholders

(i) Bee Family Limited as Promoter and substantial shareholder

Bee Family Limited was incorporated in the BVI under the BVI Business Companies Act, 2004 on 6 May 2019 as a BVI business company.

The principal activity of Bee Family Limited is investment holding.

As at the LPD, the issued share capital of Bee Family Limited is USD2,600,000 comprising 100,000 ordinary shares of USD1.00 each and 25,000 redeemable preference shares of USD100.00 each.

The shareholders of Bee Family Limited and their respective holdings in ordinary shares as at the LPD are as follows:

		Direct		Indirect	
Shareholder	Current address	No. of ordinary shares	%	No. of ordinary shares	%
Yeh Family (PTC) Ltd	Tortola Pier Park Building 1, Wickhams Cay I, Second Floor, Road Town, Tortola, BVI	54,237	54.2	-	-
WEI Future Capital Ltd	Tortola Pier Park Building 1, Wickhams Cay I, Second Floor, Road Town, Tortola, BVI	32,823	32.8	-	-
Tan Lee Hon	2, Lorong Berjaya Indah 6, Taman Berjaya Indah, 14000 Bukit Mertajam, Pulau Pinang	4,666	4.7	-	-
Poh Chu Tan	2, Lorong Berjaya Indah 6, Taman Berjaya Indah, 14000 Bukit Mertajam, Pulau Pinang	2,935	2.9	-	-
Tan Lee Ching	32A, A/10 Sri Klebang, Bandar Baru Sri Klebang, 31200 Chemor, Perak	2,596	2.6	-	-
Tan Lay Keow	No. 45, Jalan Selesaria 3, Taman Gembira, 58200 Kuala Lumpur	1,874	1.9	-	-
Tan Chin Hua	32A, A/10 Sri Klebang, Bandar Baru Sri Klebang, 31200 Chemor, Perak	869	0.9	-	-

		Direct		Indirect	
Shareholder	**Current address**	**No. of ordinary shares ('000)**	**%**	**No. of ordinary shares ('000)**	**%**
Tan Yu Yeh	No. 45, Jalan Selesaria 3, Taman Gembira, 58200 Kuala Lumpur	-	-	54,237[(1)]	54.2
Tan Yu Wei	No. 72, Jalan Selesaria 3, Taman Gembira, 58200 Kuala Lumpur	-	-	32,823[(2)]	32.8

Notes:

(1) Deemed interested by virtue of his shareholdings in Yeh Family (PTC) Ltd, applying Section 8(4) of the Act.

(2) Deemed interested by virtue of his shareholdings in WEI Future Capital Ltd, applying Section 8(4) of the Act.

(ii) Tan Yu Yeh as Promoter and substantial shareholder

Tan Yu Yeh, a Malaysian, is our Non-Independent Executive Director and Executive Vice Chairman. For details of Tan Yu Yeh's profile, see Section 9.2.1(ii) of this Prospectus.

(iii) Tan Yu Wei as Promoter and substantial shareholder

Tan Yu Wei, a Malaysian, is our Alternate Director to Tan Yu Yeh and Executive Vice President. For details of Tan Yu Wei's profile, see Section 9.2.1(vii) of this Prospectus.

(iv) Yeh Family (PTC) Ltd as Promoter and substantial shareholder

Yeh Family (PTC) Ltd was incorporated in the BVI under the BVI Business Companies Act, 2004 on 6 May 2019 as a BVI business company, known as Yeh Family Ltd. On 4 June 2020, it changed its name to Yeh Family (PTC) Ltd and amended its memorandum of association to be a private trust company. Its principal activity is to carry on or undertake trust business as a private trust company, and is the trustee of the Yeh Family Trust whose beneficiaries include Tan Yu Yeh, his spouse and children.

As at the LPD, the issued share capital of Yeh Family (PTC) Ltd is USD1,000 comprising 1,000 ordinary shares of USD1.00 each, which is entirely held by Tan Yu Yeh.

(v) WEI Future Capital Ltd as Promoter and substantial shareholder

WEI Future Capital Ltd was incorporated in the BVI under the BVI Business Companies Act, 2004 on 6 May 2019 as a BVI business company and its principal activity is investment holding.

As at the LPD, the issued share capital of WEI Future Capital Ltd is USD1,000 comprising 1,000 ordinary shares of USD1.00 each, which is entirely held by Tan Yu Wei.

(vi) **Tan Lee Ching as Promoter**

Tan Lee Ching, a Malaysian, is our Promoter by virtue of her being a person connected to Tan Yu Yeh and Tan Yu Wei. She is an employee of our Group. For details of Tan Lee Ching's familial relationship with our substantial shareholders, Promoters, Directors and key senior management, see Section 9.5 of this Prospectus.

(vii) **Tan Lee Hon as Promoter**

Tan Lee Hon, a Malaysian, is our Promoter by virtue of her being a person connected to Tan Yu Yeh and Tan Yu Wei. She is an employee of our Group. For details of Tan Lee Hon's familial relationship with our substantial shareholders, Promoters, Directors and key senior management, see Section 9.5 of this Prospectus.

(viii) **Tan Lay Keow as Promoter**

Tan Lay Keow, a Malaysian, is our Promoter by virtue of her being a person connected to Tan Yu Yeh and Tan Yu Wei. She is an employee of our Group. For details of Tan Lay Keow's familial relationship with our substantial shareholders, Promoters, Directors and key senior management, see Section 9.5 of this Prospectus.

(ix) **Tan Chin Hua as Promoter**

Tan Chin Hua, a Malaysian, is our Promoter by virtue of him being a person connected to Tan Yu Yeh and Tan Yu Wei. He is an employee of our Group. For details of Tan Chin Hua's familial relationship with our substantial shareholders, Promoters, Directors and key senior management, see Section 9.5 of this Prospectus.

(x) **Poh Chu Tan as Promoter**

Poh Chu Tan, a Malaysian, is our Promoter by virtue of him being a person connected to Tan Yu Yeh and Tan Yu Wei. He is an employee of our Group. For details of Poh Chu Tan's familial relationship with our substantial shareholders, Promoters, Directors and key senior management, see Section 9.5 of this Prospectus.

(xi) **Hyptis as substantial shareholder**

Hyptis was incorporated in the BVI under the BVI Business Companies Act, 2004 on 17 February 2015 as a special purpose vehicle to hold investments of the Creador Funds, in our Company.

As at the LPD, the issued share capital of Hyptis is USD50,000 comprising 50,000 ordinary shares of USD1.00 each.

Each of the Creador Funds is managed by the Fund Managers of Creador Funds. Our Director, Brahmal A/L Vasudevan is a director and substantial shareholder of the Fund Managers of Creador Funds. Each of the Fund Managers of Creador Funds is formed under the laws of Mauritius as a private company limited by shares with limited life and holds a Collective Investment Schemes manager licence granted by the Financial Services Commission of Mauritius. Each Fund Manager of Creador Funds is responsible for the conduct and affairs of the Creador Funds.

Creador Funds' interests in our Company, being one of their investee companies, is for investment purposes only where they do not participate in the day-to-day management and operations of such investee companies.

As at LPD, the Creador Funds are diversely owned by 97 limited partners/shareholders in aggregate predominantly consisting of institutions such as university endowment funds, pension funds, fund of funds, foundations, not-for-profit organisations and family offices from North America, Europe and Asia with interests ranging from 0.003% to 14.4% in the Creador Funds.

No single limited partner/shareholder of the Creador Funds has any control or the ability to participate in the management of the Creador Funds or ultimately the Creador Funds' investee companies, including Hyptis.

The shareholders of Hyptis and their respective shareholdings in Hyptis as at the LPD are as follows:

		Direct		Indirect	
Shareholder	**Current address**	**No. of ordinary shares**	**%**	**No. of ordinary shares**	**%**
Creador III L.P.[(1)]	IFS Court, Bank Street, TwentyEight, Cybercity, Ebene, 72201 Mauritius	37,500	75.0	-	-
Creador II, LLC[(2)]	IFS Court, Bank Street, TwentyEight, Cybercity, Ebene, 72201 Mauritius	11,896	23.8	-	-
Creador II L.P.[(1)]	IFS Court, Bank Street, TwentyEight, Cybercity, Ebene, 72201 Mauritius	604	1.2	-	-

Notes:

(1) A limited partnership formed under the laws of Mauritius and licensed by the Financial Services Commission of Mauritius to operate as a closed-end fund.

(2) A public company limited by shares with limited life, formed under the laws of Mauritius and licensed by the Financial Services Commission of Mauritius to operate as a closed-end fund.

(xii) Platinum Alphabet as substantial shareholder

Platinum Alphabet was incorporated in Malaysia under the Act on 27 May 2019 as a private limited company under its present name and its principal activity is investment holding.

As at the LPD, the issued share capital of the company is RM10,501,000.99, comprising 100,000 ordinary shares of RM1,000.99 and 105,000 redeemable preference shares of RM10,500,000.00. The company's shareholders are Gan Choon Leng (32.0%), Tan Gaik Hoon (32.0%), Toh Hooi Hak (18.0%), Toh Lay Fan (10.8%) and Toh Lee Soo (7.2%), who are all employees of our Group.

(xiii) Gan Choon Leng as substantial shareholder

Gan Choon Leng, a Malaysian, is our substantial shareholder by virtue of his interest in Platinum Alphabet. He is an employee of our Group. For details of Gan Choon Leng's familial relationship with our substantial shareholders, Promoters and Directors, see Section 9.5 of this Prospectus.

(xiv) Tan Gaik Hoon as substantial shareholder

Tan Gaik Hoon, a Malaysian, is our substantial shareholder by virtue of her interest in Platinum Alphabet. She is an employee of our Group. For details of Tan Gaik Hoon's familial relationship with our substantial shareholders, Promoters, Directors and key senior management, see Section 9.5 of this Prospectus.

9.1.2 Shareholding of our Promoters and substantial shareholders

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

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

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

Notes:

* Negligible.

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

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

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

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

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

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

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

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

9.1.3 Changes in our Promoters' and substantial shareholders' shareholdings in our Company for the past three years

Save as disclosed below, there has been no change in our Promoters' and substantial shareholders' shareholdings in our Company for the past three years preceding the LPD:

	As at 31 December 2016				As at 31 December 2017				As at 31 December 2018			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Bee Family Limited	-	-	-	-	-	-	-	-	-	-	-	-
Yeh Family (PTC) Ltd	-	-	-	-	-	-	-	-	-	-	-	-
WEI Future Capital Ltd	-	-	-	-	-	-	-	-	-	-	-	-
Tan Yu Yeh	1	*	9,499	(1)95.0	1	*	9,299	(1)93.0	1	*	8,199	(1)82.0
Tan Yu Wei	-	-	9,499	(1)95.0	-	-	9,299	(1)93.0	-	-	8,199	(1)82.0
Tan Lee Ching	-	-	-	-	-	-	-	-	-	-	-	-
Tan Chin Hua	-	-	-	-	-	-	-	-	-	-	-	-
Tan Lee Hon	-	-	-	-	-	-	-	-	-	-	-	-
Tan Lay Keow	-	-	-	-	-	-	-	-	-	-	-	-
Poh Chu Tan	-	-	-	-	-	-	-	-	-	-	-	-
Hyptis	500	5.0	-	-	700	7.0	-	-	1,800	18.0	-	-
MDHM	9,499	95.0	-	-	9,299	93.0	-	-	8,199	82.0	-	-
Creador III L.P.	-	-	500	(2)5.0	-	-	700	(2)7.0	-	-	1,800	(2)18.0
Creador II, LLC	-	-	500	(2)5.0	-	-	700	(2)7.0	-	-	1,800	(2)18.0
Platinum Alphabet	-	-	-	-	-	-	-	-	-	-	-	-
Tan Gaik Hoon	-	-	-	-	-	-	-	-	-	-	-	-
Gan Choon Leng	-	-	-	-	-	-	-	-	-	-	-	-

	As at 31 December 2019				As at 23 September 2020			
	Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Bee Family Limited	-	-	-	-	3,202,225,000	52.6	-	-
Yeh Family (PTC) Ltd	-	-	-	-	-	-	3,202,225,000	(3)52.6
WEI Future Capital Ltd	-	-	-	-	-	-	3,202,225,000	(3)52.6
Tan Yu Yeh	1	*	8,199	(1)82.0	245,265,100	4.0	3,203,044,900	(4)52.6
Tan Yu Wei	-	-	8,199	(1)82.0	148,062,800	2.4	3,203,044,900	(5)52.6
Tan Lee Ching	-	-	-	-	11,711,600	0.2	-	-
Tan Chin Hua	-	-	-	-	3,920,800	0.1	-	-
Tan Lee Hon	-	-	-	-	21,048,200	0.3	-	-
Tan Lay Keow	-	-	-	-	8,453,800	0.1	-	-
Poh Chu Tan	-	-	-	-	13,240,900	0.2	-	-
Hyptis	1,800	18.0	-	-	1,095,876,000	18.0	-	-
MDHM	8,199	82.0	-	-	819,900	*	-	(7) -
Creador III L.P.	-	-	1,800	(2)18.0	-	-	1,095,876,000	(2)18.0
Creador II, LLC	-	-	1,800	(2)18.0	-	-	1,095,876,000	(2)18.0
Platinum Alphabet	-	-	-	-	433,842,400	7.1	-	-
Tan Gaik Hoon	-	-	-	-	19,561,100	0.3	433,842,400	(6)7.1
Gan Choon Leng	-	-	-	-	19,561,100	0.3	433,842,400	(6)7.1

Notes:

* Negligible.

(1) Deemed interested by virtue of his shareholdings in MDHM applying Section 8(4) of the Act.

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

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

(4) Deemed interested by virtue of his interest in Bee Family Limited, through his shareholdings held in Yeh Family (PTC) Ltd, and by virtue of his shareholdings in MDHM, applying Section 8(4) of the Act. In addition, MDHM is deemed interested by virtue of its right to acquire such number of Charged Shares from Creador Funds upon (a) the exercise of an option by a financier referred to in note (2) above and (b) Creador Funds not fulfilling their obligations under the option, applying Section 8(6) of the Act.

(5) Deemed interested by virtue of his interest in Bee Family Limited through his shareholding held in WEI Future Capital Ltd, and by virtue of his shareholdings in MDHM, applying Section 8(4) of the Act. In addition, MDHM is deemed interested by virtue of its right to acquire such number of Charged Shares from Creador Funds upon (a) the exercise of an option by a financier referred to in note (2) above and (b) Creador Funds not fulfilling their obligations under the option, applying Section 8(6) of the Act.

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

(7) Deemed interested by virtue of the right of MDHM to acquire such number of Charged Shares from Creador Funds upon (a) the exercise of an option by a financier referred to in note (2) above and (b) Creador Funds not fulfilling their obligations under the option, applying Section 8(6) of the Act.

9.2 BOARD OF DIRECTORS

Our Board acknowledges and takes cognisance of the MCCG which contains recommendations to improve upon or to enhance corporate governance as an integral part of the business activities and culture of such companies. The MCCG is specifically targeted for large companies i.e. companies on the FTSE Bursa Securities Top 100 Index or companies with market capitalisation of RM2.0 billion and above, at the start of the companies' financial year ("**Large Companies**"). Once a company is under the category of Large Companies, it will remain as one for the entire financial year regardless of the change in its status during the financial year.

Currently, our Company has yet to adopt the recommendations under MCCG to have a Board comprising a majority of independent directors. In this regard, we endeavour to comply with this practice within two years from our Listing by appointing an additional independent director. Our Board will also provide a statement on the extent of compliance with the MCCG in our first annual report as a listed entity.

With that, our Board believes that our current Board composition provides the appropriate balance in terms of skills, knowledge and experience to promote the interests of all shareholders and to govern our Group effectively. Our Board is also committed to achieving and sustaining high standards of corporate governance.

Within the limits set by our Constitution, our Board is responsible for the governance and management of our Company. To ensure the effective discharge of its functions, our Board have set out the following key responsibilities in the board charter:

(i) set the corporate values and promote a good corporate governance culture within our Group, which reinforces ethical, prudent and professional behaviour and ensure that its obligations to shareholders and other stakeholders are met;

(ii) review, challenge and decide on proposals put forward by our management for the Company, and monitor its implementation by our management;

(iii) review and oversee the implementation of the strategic business plan of our Group to ensure that it supports long-term value creation and promotes sustainability, taking into consideration the economic, environmental and social considerations;

(iv) oversee the conduct of our Group's business and operations to ensure that the businesses are being properly managed;

(v) review and ensure the adequacy and integrity of the internal controls and management systems of our Group, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;

(vi) identify the principal risks of the business of our Group and recognise that the business decisions involve the taking of appropriate risks;

(vii) set the risk appetite within which our Board expects the management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;

(viii) ensure that all members of our Board and the management team are of sufficient calibre, including having in place a process to provide for the orderly succession of our Board and the management team;

(ix) ensure that our Company has in place the appropriate corporate disclosure procedures to ensure effective communication with its shareholders and other stakeholders; and

(x) ensure the integrity of our Company's financial and non-financial reporting.

In addition, the roles and responsibilities of our Independent Non-Executive Chairman are clearly segregated to further enhance and preserve a balance of authority and accountability. Our Independent Non-Executive Chairman is primarily responsible for the following:

(i) providing leadership to our Board and overseeing our Board in the effective discharge of its fiduciary duties;

(ii) setting the agenda for our Board meetings and ensuring efficient and effective conduct of our Board meetings;

(iii) ensuring that complete and accurate information is provided to our Board members in a timely manner to facilitate decision-making;

(iv) leading Board meetings and encouraging active participation and allowing dissenting views to be freely expressed;

(v) promoting constructive and respectful relations between Board members and managing the interface between our Board and management;

(vi) ensuring that appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to our Board as a whole; and

(vii) leading our Board in establishing and monitoring good corporate governance in our Company.

On the other hand, our Executive Vice Chairman and our Chief Executive Officer are primarily responsible for implementing the policies and strategies approved by our Board for the purposes of running the business and the day-to-day management of our Group, within the authorities as delegated by the Board.

The details of the members of our Board and the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in that office as at the LPD are as follows:

Director	Designation	Age	Date of appointment as Director	Date of expiration of the current term of office at AGM	No. of years and months in office
Dato' Azlam Shah Bin Alias	Independent Non-Executive Chairman	60	1 January 2019	Subject to retirement by rotation at the AGM in 2023	1 year 8 months
Tan Yu Yeh	Non-Independent Executive Director/ Executive Vice Chairman	49	1 June 2016	Subject to retirement by rotation at the AGM in 2021	4 years 3 months
Ong Chu Jin Adrian	Non-Independent Executive Director/ Chief Executive Officer	50	11 February 2019	Subject to retirement by rotation at the AGM in 2022	1 year 6 months
Brahmal A/L Vasudevan	Non-Independent Non-Executive Director	51	31 August 2018	Subject to retirement by rotation at the AGM in 2023	2 years
Ng Ing Peng	Independent Non-Executive Director	63	1 January 2019	Subject to retirement by rotation at the AGM in 2021	1 year 8 months

Director	Designation	Age	Date of appointment as Director	Date of expiration of the current term of office at AGM	No. of years and months in office
Leng Choo Yin	Independent Non-Executive Director	48	1 January 2019	Subject to retirement by rotation at the AGM in 2022	1 year 8 months
Tan Yu Wei	Alternate Director to Tan Yu Yeh/ Executive Vice President	47	3 March 2020	Nil	6 months
Soo Sze Yang	Alternate Director to Brahmal A/L Vasudevan	31	22 June 2020	Nil	2 months

None of our other Directors represent any corporate shareholder on our Board except for Tan Yu Yeh and Tan Yu Wei in respect of Bee Family Limited and Brahmal A/L Vasudevan and Soo Sze Yang in respect of Hyptis. Further, there are no family relationships between our Directors save and except for Tan Yu Yeh and Tan Yu Wei, who are brothers.

9.2.1 Profiles of our Directors

(i) Dato' Azlam Shah Bin Alias

Dato' Azlam Shah Bin Alias, a Malaysian aged 60, is our Independent Non-Executive Chairman. He was appointed to our Board on 1 January 2019.

He currently serves as a Senior Adviser to the Chief Executive Officer of Tesco Stores Malaysia Sdn Bhd ("**Tesco Malaysia**") and also a member of the advisory board of Tesco Malaysia. Prior to this, he has been a key member of Tesco Malaysia Senior Leadership Board, legal compliance and risk management and property acquisitions committees, together with other various internal and external functions. Soon after joining Tesco Malaysia in 2001 as Regional Property Director, he led Tesco Malaysia's government and corporate affairs functions to help deliver Tesco Malaysia's business expansion plans by developing local supply networks, hypermarkets and superstores and distributive network.

From 1999 to 2001, he was posted to ExxonMobil Asia Pacific Private Limited based in Singapore as its Regional Real Estate Outsourcing Manager responsible for managing the outsourcing of Asia Pacific real estates. Prior thereto, he held various roles in Esso Malaysia Berhad in retail development where he handled site research on petrol and service stations, retail acquisitions, retail management and divestment portfolios. From 1987 to 1991, he was a Retail Development Representative with Mobil Oil Malaysia Sdn Bhd.

He is an active committee member of the PPUM (Pusat Perubatan Universiti Malaya) Care Fund, and also as an Advisor of UMCares, *a Community and Sustainability Centre* under the auspices of the Universiti Malaya. He was actively involved in industry advocacy work representing Malaysian International Chambers of Commerce and Industry (MICCI) and Malaysian Retailers Association (MRA) in various dialogues with the authorities. Since February 2017, he has been the Independent Non-Executive Director of K-One Technology Berhad, a company listed on the ACE Market of Bursa Securities.

He obtained a Bachelor of Business Administration, majoring in finance from Eastern Michigan University, United States in 1986.

(ii) Tan Yu Yeh

Tan Yu Yeh, a Malaysian aged 49, is our Non-Independent Executive Director and Executive Vice Chairman. He was appointed to our Board on 1 June 2016 and redesignated as our Executive Vice Chairman on 19 May 2020.

Prior to his redesignation as our Executive Vice Chairman, he was our Co-Managing Director. He together with Ong Chu Jin Adrian, are jointly responsible for our day-to-day operations with specific responsibilities in the overall management of our Group's operations and sets our business strategy.

Since 2005, Tan Yu Yeh has supported the growth of our Group's business as a director, shareholder and adviser. Since 2014, he has led the management of our Group. He is the founder of our business and opened the first Mr. D.I.Y. store at Jalan Tuanku Abdul Rahman.

From 1997 to 2009, he worked with Inter-Pacific Securities Sdn Bhd as a remisier. From 1996 until 1997, he was an engineer with Komag USA (Malaysia) Sdn Bhd.

He graduated with a Bachelor of Science in Physics from Universiti Malaya in 1996.

(iii) Ong Chu Jin Adrian

Ong Chu Jin Adrian, a Malaysian aged 50, is our Non-Independent Executive Director and Chief Executive Officer. He joined us in January 2019 as our Co-Managing Director and was redesignated as our Chief Executive Officer on 19 May 2020.

As our Chief Executive Officer, and together with Tan Yu Yeh, he is jointly responsible for our day-to-day operations with specific responsibilities in our Group's corporate management and affairs as well as financial oversight.

In 2015, he joined Creador as Managing Director and represented the Creador Funds on our Board from 26 October 2016 until 31 August 2018, and acted as its main representative. In addition to representing Creador Funds on its investment in our Company, he also served as Creador's representative for its other retail sector portfolio companies. He was re-appointed to our Board on 11 February 2019.

Prior to joining Creador, from 1995 to 2015, he worked with the CIMB group for 20 years, where he held various senior positions, including Senior Managing Director of Investment Banking at CIMB. In his role as Senior Managing Director, he was responsible for leading the corporate finance and mergers and acquisitions business across Asia Pacific. From 2006 to 2010, he was seconded to CIMB-Standard Strategic Asset Advisors Sdn Bhd (now Capital Advisors Asia Pte Ltd) to serve as its director, advising on its Southeast Asia Strategic Asset Fund from 2006 to 2009 and the Islamic Infrastructure Fund where he was also the Head of Fund from 2009 to 2010. From 1994 to 1995, he worked for KPMG, Malaysia as an audit supervisor and from 1989 to 1993, he worked with Kingston Smith, London as an auditor.

He obtained a Masters in Business Administration from the Judge Business School, University of Cambridge, United Kingdom in 2005. He has been a member of the Institute of Chartered Accountants in England and Wales since 1994 and is a member of the MIA since 1995.

(iv) Brahmal A/L Vasudevan

Brahmal A/L Vasudevan, a Malaysian aged 51, is our Non-Independent Non-Executive Director. He was appointed to our Board on 31 August 2018.

Brahmal is the founder of Creador, whose funds are shareholders of our Company. He has been the Chief Executive Officer of Creador since 2011. Prior to that, from 2000 to 2011, he served as the General Partner and Managing Director of ChrysCapital Investment Advisor (S) Pte Ltd, a private equity firm focused on growth capital investments in India.

He is also the founding Board Member of Endeavor Entrepreneurs Malaysia, a local chapter of the global organisation that selects, mentors, and accelerates identified entrepreneurs. Since 2008, he has been a Board Member of Usaha Tegas Sdn Bhd and continues to hold these two board positions. He was also previously a Non-Independent Non-Executive Director of GHL Systems Berhad from 2014 to 2017.

Between 1990 to 2000, he served in various roles which include branding, consulting, marketing, strategy and business development in South East Asia and the United Kingdom. The companies that he served in during this period include Malaysian Tobacco Berhad, The Boston Consulting Group International, Inc., British American Tobacco PLC (United Kingdom) and Astro All Asia Networks PLC (now Astro Malaysia Holdings Berhad).

In 1990, he graduated with first class honours from Imperial College of Science, Technology and Medicine, University of London with a Bachelor of Engineering in Aeronautical Engineering and obtained a Master of Business Administration from Harvard University Graduate School of Business Administration, United States in 1997.

(v) Ng Ing Peng

Ng Ing Peng, a Malaysian aged 63, is our Independent Non-Executive Director. She was appointed to our Board on 1 January 2019.

She is currently the Independent Non-Executive Director of Petra Energy Berhad ("**Petra**"), a company listed on the Main Market of Bursa Securities, having been re-designated since January 2019 from the position of Non-Independent Non-Executive Director, which she has held since 2016. She is also the Independent Non-Executive Director of Red Sena Berhad.

From 2013 to 2016, she held various executive positions at Petra, including Executive Director in 2015 and Group Chief Financial Officer from 2014 to 2016. She joined Petra in 2013 as its Deputy Group Chief Financial Officer.

From 2000 to 2012, she was at CIMB, where her last held position was as Head of Group Finance. During her tenure with CIMB, she was involved in the public listing of CIMB Berhad on the Main Board of Kuala Lumpur Stock Exchange in 2003. She also played a role in the planning and execution of the merger and restrúcturing of Bumiputra-Commerce Bank Berhad, Southern Bank Berhad and PT Bank CIMB Niaga Tbk. From 1994 to 2000, she was Head of Operations at PB Securities Sdn Bhd.

Prior to that, she served at RSH (Malaysia) Sdn Bhd and Reebok (M) Sdn Bhd as its Financial Controller from 1991 to 1993, after a stint as manager at KPMG Management Consulting division in 1990.

From 1987 to 1989, she joined D&C Mitsui Merchant Bankers Berhad as manager where she was involved in corporate exercises and project feasibility studies. Between 1985 and 1987, she was Senior Auditor of Ernst & Whinney (*now known as Ernst & Young*).

She was an Audit Executive at Thornton Baker Chartered Accountants, London from 1981 to 1984, while pursuing her chartered accountancy qualification, and before that she had started her career in 1980 as a Financial Accountant with the Penang Development Corporation.

She obtained a Bachelor of Accounting from Universiti Malaya in 1980. She is a member of the Institute of Chartered Accountants in England and Wales since 1984 and is a member of the MIA since 1985.

(vi) Leng Choo Yin

Leng Choo Yin, a Malaysian aged 48, is our Independent Non-Executive Director. She was appointed to our Board on 1 January 2019.

She is currently the Head, Private Wealth Malaysia, Group Wealth Management, Community Financial Services, Malaysia at Malayan Banking Berhad ("**Maybank**"). Prior to her joining Maybank in July 2019, since 2001 until June 2019 and starting initially as Associate Director, she has held various positions within the Private Banking business at CIMB, including Head of Private Banking in 2010 until her appointment as Regional Head of Sales in 2018 where she is responsible for driving and strengthening regional sales efforts across Malaysia, Singapore, Thailand and Indonesia.

From 2000 to 2001, she was a Regional Sales Manager for Commerce Trust Berhad (which now forms part of Principal Asset Management Berhad). Prior to this, she was in Client Service and then Regional Sales Manager at Templeton Management Limited in Canada from 1996 to 2000.

She obtained a Bachelor of Arts Degree (Hons) in economics from University of Toronto, Canada in 1995 and has completed various Financial Planning courses, such as Chartered Financial Planning, Trust and Estate Planning, and Investment-linked Life Insurance.

(vii) Tan Yu Wei

Tan Yu Wei, a Malaysian aged 47, is the Alternate Director to Tan Yu Yeh. He was appointed as an Alternate Director on 3 March 2020 and is our Executive Vice President. He was redesignated as our Executive Vice President on 1 January 2019.

Since 2011, he has been a key senior member of our management, primarily leading our Group's procurement strategy and leading our Group's logistics and procurement departments.

From 2000 to 2011, he was part of the management team that set up De Little Chinatown Sdn Bhd, a wholesaler of products mainly from China and served as a director. Prior to that, from 1998 to 2000, he was a production supervisor with Solectron Corp, U.S. in Malaysia.

He obtained a Bachelor of Management (Honours) from Universiti Sains Malaysia in 1998.

(viii) Soo Sze Yang

Soo Sze Yang, a Malaysian aged 31, is the Alternate Director to Brahmal A/L Vasudevan and was appointed on 22 June 2020.

He is currently a Senior Vice President of Creador, which he joined in 2016. His responsibilities at Creador are deal origination and sector coverage in the South East Asia region, investment portfolio management which includes our Group and Mobile World Investment Corporation (a retail company listed on Ho Chi Minh Stock Exchange). Prior to joining Creador, from 2015 to 2016, he was an Analyst at KV Asia Capital, a private equity firm.

From 2013 to 2014, he worked with Maybank IB as a Senior Analyst where he was involved in the advisory of a range of corporate exercises including mergers and acquisition, initial public offering, debt and project financing, and corporate restructuring. Prior to that, from 2011 and 2013, he served with HSBC Bank Malaysia Berhad as their Assistant Vice President.

In 2011, he graduated with first class honours from London School of Economics and Political Science with a Bachelor of Science in Actuarial Science.

9.2.2 Shareholding of our Directors

The following table sets out the direct and indirect shareholdings of our Directors before and after our IPO:

	Before our IPO(1)				Upon Listing(2)				Upon Listing and assuming exercise of ESOS Options(3)			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Dato' Azlam Shah Bin Alias	-	-	-	-	300	*	-	-	300	*	-	-
Tan Yu Yeh	245,265	4.0	3,203,045	(4)52.6	590	*	3,202,225	(4)51.0	2,240	*	3,202,225	(4)50.6
Ong Chu Jin Adrian	49,904	0.8	-	-	43,742	0.7	-	-	44,572	0.7	-	-
Brahmal A/L Vasudevan	-	-	-	-	-	-	650	(6)*	-	-	650	(6)*
Ng Ing Peng	-	-	-	-	300	*	-	-	300	*	-	-
Leng Choo Yin	-	-	-	-	300	*	-	-	300	*	-	-
Tan Yu Wei	148,063	2.4	3,203,045	(5)52.6	-	-	3,202,225	(5)51.0	1,410	*	3,202,225	(5)50.6
Soo Sze Yang	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

* Negligible.

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

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

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

(4) Deemed interested by virtue of his interest in Bee Family Limited, through his shareholdings held in Yeh Family (PTC) Ltd, and by virtue of his shareholdings in MDHM, applying Section 8(4) of the Act. In addition, MDHM is deemed interested by virtue of its right to acquire such number of Charged Shares (as defined in note (7) of Section 9.1.2 of this Prospectus) from Creador Funds upon (a) the exercise of an option by a financier referred to in note (7) of Section 9.1.2 of this Prospectus and (b) Creador Funds not fulfilling their obligations under the option, applying Section 8(6) of the Act.

(5) Deemed interested by virtue of his interest in Bee Family Limited through his shareholding held in WEI Future Capital Ltd, and by virtue of his shareholdings in MDHM, applying Section 8(4) of the Act. In addition, MDHM is deemed interested by virtue of its right to acquire such number of Charged Shares (as defined in note (7) of Section 9.1.2 of this Prospectus) from Creador Funds upon (a) the exercise of an option by a financier referred to in note (7) of Section 9.1.2 of this Prospectus and (b) Creador Funds not fulfilling their obligations under the option, applying Section 8(6) of the Act.

(6) Deemed interested by virtue of his interest in Creador, applying Section 8(4) of the Act.

9.2.3 Principal business activities performed by our Directors outside our Group in the past five years

The principal business activities performed by our Directors outside of our Group as at the LPD and the directorships held by our Directors outside of our Group at present and in the past five years preceding the LPD are as follows:

Name of company	Principal activities	Involvement in business activities
Dato' Azlam Shah Bin Alias		
• K-One Technology Berhad *(listed on the ACE Market of Bursa Securities)*	• Research, design and development of electronic end-products and sub-system for the communication, computer and consumer electronic industries	• Director (appointed on 2 February 2017)
• Tesco Stores (Malaysia) Sdn Bhd	• Operation of retail outlets	• Director (appointed on 14 June 2013, resigned on 16 February 2017)
Tan Yu Yeh		
• Yield Management Sdn Bhd	• Investment in real estate	• Director (appointed on 1 June 2018) and substantial shareholder (indirect)
• Yield Management Two Sdn Bhd	• Investment in real estate	• Director (appointed on 14 August 2020) and substantial shareholder (indirect)
• U & Location Sdn Bhd	• Investment in real estate	• Director (appointed on 5 January 2012) and substantial shareholder (direct)
• Bee Family Limited	• Investment holding	• Director (appointed on 11 May 2019) and substantial shareholder (indirect)
• Yeh Family (PTC) Ltd	• Investment holding	• Director (appointed on 28 May 2019) and substantial shareholder (direct)
• MDHM	• Investment holding	• Director (appointed on 23 May 2016) and substantial shareholder (direct)
• MDIH	• Investment holding, with subsidiaries involved in retail business in the South East Asian region excluding Malaysia and Brunei	• Director (appointed on 17 February 2015) and substantial shareholder (direct)
• Mind Professional Holding Ltd	• Investment holding with indirect subsidiaries that carry on retail business in Indonesia	• Director (appointed on 3 April 2015) and substantial shareholder (indirect)
• Azara Alpina Sdn Bhd	Investment holding with indirect subsidiaries that carry on home improvement retail business in Indonesia	• Director (appointed on 24 July 2017), shareholder (direct) and substantial shareholder (indirect)

Name of company	Principal activities	Involvement in business activities
Tan Yu Yeh *(cont'd)*		
• Carissa Balsam Sdn Bhd	• Investment holding with indirect subsidiaries that carry on retail business in Philippines	• Director (appointed on 27 September 2018), shareholder (direct) and substantial shareholder (indirect)
• Iconic Edge Ltd.	• Holding intellectual property rights	• Director (appointed on 19 June 2019) and substantial shareholder (direct)
• Sky Venture Ltd.	• Investment holding in equity markets	• Director (appointed on 12 July 2019) and substantial shareholder (indirect)
• Classic Avenue Ltd.	• Investment holding in private equity funds	• Director (appointed on 12 July 2019) and substantial shareholder (indirect)
• Pinnacles Resources (L) Ltd.	• Dormant	• Director (appointed on 3 June 2019) and substantial shareholder (indirect)
• Invalued Trading Private Limited	• Dormant	• Director (appointed on 22 July 2019) and substantial shareholder (direct)
• Mr. D.I.Y. (Thailand) Ltd	• Investment holding with indirect subsidiaries that carry on retail business in Thailand	• Substantial shareholder (indirect)
• Mr. D.I.Y. Co., Ltd.	• Investment holding with indirect subsidiaries that carry on retail business in Thailand	• Substantial shareholder (indirect)
• Mr. D.I.Y. Holding (Thailand) Co., Ltd.	• Investment holding with subsidiaries that carry on retail business in Thailand	• Substantial shareholder (indirect)
• Mr. D.I.Y. (Thailand) Co. Ltd	• Providing consulting in business management	• Substantial shareholder (indirect)
• Mr. D.I.Y. Trading (Thailand) Co. Ltd	• Distribution business in consumer products for the Mr. D.I.Y. operations in Thailand	• Substantial shareholder (indirect)
• Mr. D.I.Y. (Bangkok) Co. Ltd	• Mr. D.I.Y. retail operations in Thailand	• Substantial shareholder (indirect)
• Strategic Logistic Co., Ltd	• Buying, selling, importing and distributing at wholesale basis of all kinds of consumer products	• Substantial shareholder (indirect)
• Crystal Sourcing Limited	• Dormant	• Substantial shareholder (indirect)
• PT Daya Intiguna Yasa	• Providing management consultancy	• Substantial shareholder (indirect)

Name of company	Principal activities	Involvement in business activities
Tan Yu Yeh ***(cont'd)***		
• PT Duta Intiguna Yasa	• Trading and importing of goods for the Mr. D.I.Y. operations in Indonesia	• Substantial shareholder (indirect)
• PT Daya Indah Yasa	• Mr. D.I.Y. retail operations in Indonesia	• Substantial shareholder (indirect)
• PT Duta Sentosa Yasa	• Distribution operations in Indonesia	• Substantial shareholder (indirect)
• Bricolage Holding Inc.	• Investment holding with subsidiaries that carry on retail business in Philippines	• Substantial shareholder (indirect)
• Bricolage Distributor Inc.	• Distribution operations in Philippines	• Substantial shareholder (indirect)
• Bricolage Philippines Inc.	• Mr. D.I.Y. retail operations in Philippines	• Substantial shareholder (indirect)
• Bricolage Import Inc.	• Import, export and distribution of consumer products	• Substantial shareholder (indirect)
• Mr. D.I.Y. (LAO) Co., Ltd	• Mr. D.I.Y. retail operations in Laos (inactive)	• Substantial shareholder (indirect)
• Mr D.I.Y. (Cambodia) Co. Ltd	• Mr. D.I.Y. retail operations in Cambodia	• Substantial shareholder (indirect)
• Mr. D.I.Y. Singapore Ltd	• Investment holding with subsidiaries that carry on retail business in Singapore	• Substantial shareholder (indirect)
• Mr. D.I.Y. (Singapore) Ltd	• Investment holding with indirect subsidiaries that carry on retail business in Philippines	• Substantial shareholder (indirect)
• Qube	• Providing computer consultancy services, software developers, and trading of related products	• Substantial shareholder through MDGM (indirect)
• Qube Apps Marketing Sdn Bhd	• Dormant	• Substantial shareholder through MDGM (indirect)
• Mr D.I.Y. Trading (Singapore) Pte Ltd	• Mr. D.I.Y. retail operations in Singapore	• Substantial shareholder (indirect)
• Iconic Trading (Asia) Pte Ltd *(formerly known as Mr D.I.Y. Retail (Singapore) Pte Ltd)*	• Wholesale trade of a variety of goods outside Malaysia	• Substantial shareholder (indirect)
• Arragon Resources Ltd.	• Investment holding with subsidiary that carry on retail operations in Laos	• Substantial shareholder (indirect)

Name of company	Principal activities	Involvement in business activities
Tan Yu Yeh *(cont'd)*		
• Aellers International Ltd.	• Investment holding with subsidiary that carry on retail operations in Cambodia	• Substantial shareholder (indirect)
• Oceanic Star Ltd.	• Investment holding company	• Substantial shareholder (indirect)
Ong Chu Jin Adrian		
• Sterling Infratech Sdn Bhd	• Investment holding in real estate, shares and other investments	• Director (appointed on 23 June 2020) and substantial shareholder (direct)
• Yield Management Sdn Bhd	• Investment in real estate	• Director (appointed on 24 August 2020) and shareholder (indirect)
• Yield Management Two Sdn Bhd	• Investment in real estate	• Director (appointed on 14 August 2020) and shareholder (indirect)
• Mr D.I.Y. (Cambodia) Co. Ltd	• Mr. D.I.Y. retail operations in Cambodia	• Director (appointed on 6 March 2019) and shareholder (indirect)
• Mr. D.I.Y. (LAO) Co., Ltd	• Mr. D.I.Y. retail operations in Laos (inactive)	• Director (appointed on 27 March 2019) and shareholder (indirect)
• Agave Salmiana Sdn Bhd	• Activities of holding company with investment in home improvement retail business in Indonesia	• Director (appointed on 26 November 2015) and substantial shareholder (direct)
• Maya Asia Limited	• Investment holding principally involved in portfolio investment	• Director (appointed on 28 October 2016) and substantial shareholder (direct)
• Sky Venture Ltd.	• Investment holding in equity markets	• Director (appointed on 12 July 2019) and shareholder (indirect)
• Classic Avenue Ltd.	• Investment holding in private equity funds	• Director (appointed on 12 July 2019) and shareholder (indirect)
• Pinnacles Resources (L) Ltd.	• Dormant	• Director (appointed on 3 June 2019) and shareholder (indirect)
• MDHM	• Investment holding	• Director (appointed on 22 July 2019) and shareholder (direct)
• Oceanic Star Ltd	• Investment holding company	• Director (appointed on 21 October 2019) and shareholder (indirect)

Name of company	Principal activities	Involvement in business activities
Ong Chu Jin Adrian ***(cont'd)***		
• Invalued Trading Private Limited	• Dormant	• Director (appointed on 22 July 2019) and shareholder (direct)
• MDIH	• Investment holding, with subsidiaries involved in retail business in the South East Asian region excluding Malaysia and Brunei	• Shareholder (direct)
• Azara Alpina Sdn Bhd	• Investment holding with indirect subsidiaries that carry on home improvement retail business in Indonesia	• Director (appointed on 1 July 2016, resigned on 4 June 2019) and shareholder (indirect)
• JF Apex Securities Berhad *(subsidiary of Apex Equity Holdings Berhad which is listed on the Main Market of Bursa Securities)*	• Share and stockbroking	• Director (appointed on 28 June 2018, resigned on 24 January 2019)
• BWY Holdings Sdn Bhd	• Supply of bakery ingredients and accessories	• Director (appointed on 31 July 2017, resigned on 19 October 2018) and shareholder (indirect)
• Agathis Montana Sdn Bhd	• Dormant	• Director (appointed on 8 June 2017, resigned on 2 November 2018) and shareholder (indirect)
• BWY Group Sdn Bhd	• Investment holding with investment in BWY Holdings Sdn Bhd	• Director (appointed on 7 June 2017, resigned on 19 October 2018) and shareholder (indirect)
• Carissa Balsam Sdn Bhd	• Investment holding with indirect subsidiaries that carry on retail business in Philippines	• Director (appointed on 12 May 2017, resigned on 3 September 2018) and shareholder (indirect)
• Amanita Regalis Sdn Bhd	• Dormant	• Director (appointed on 3 January 2017, resigned on 2 November 2018)
• Iris Pallida Sdn Bhd	• Investment holding with investment in pharmacy chain	• Director (appointed on 3 January 2017, resigned on 1 August 2017)
• Aralia Armata Sdn Bhd	• Investment holding company with investment in battery manufacturer	• Director (appointed on 3 January 2017, resigned on 2 November 2018)

Name of company	Principal activities	Involvement in business activities
Ong Chu Jin Adrian ***(cont'd)***		
• Isotrema Sdn Bhd	• Dormant	• Director (appointed on 3 January 2017, resigned on 3 October 2018)
• Chinensis Sdn Bhd	• Investment holding with investment in cereal and snacks manufacturer	• Director (appointed on 3 January 2017, resigned on 2 November 2018)
• Alstonia Costata Sdn Bhd	• Investment holding with investment in retailer	• Director (appointed on 1 July 2016, resigned on 2 November 2018) and shareholder (indirect)
• Andira Cordata Sdn Bhd	• Investment holding with investments in healthcare and retail	• Director (appointed on 1 July 2016, resigned on 2 November 2018) and shareholder (indirect)
• Ventaserv Sdn Bhd	• Retail sale of any kind of product through vending machines	• Director (appointed on 17 June 2016, resigned on 16 October 2018) and shareholder (indirect)
Brahmal A/L Vasudevan		
• Capital Markets Promotion Council	• To support the Securities Commission of Malaysia in promoting the Malaysian capital market	• Director (appointed 30 June 2020)
• Pacific Straits Realty Sdn Bhd	• Investment holding principally involved in real estate	• Director (appointed on 13 December 2005) and substantial shareholder (direct)
• Thousand Triangle Sdn Bhd	• Investment holding principally involved in real estate	• Director (appointed on 4 August 2014) and substantial shareholder (indirect)
• Maple Sierra Sdn Bhd	• Investment holding principally involved in real estate	• Director (appointed on 8 November 2013) and substantial shareholder (indirect)
• Yu Cai Foundation	• To advance uplift and benefit the Chinese and other underserved communities of Malaysia and promote the learning of vernacular language of Malaysia	• Director (appointed on 9 March 2012)
• Endeavor Entrepreneurs Malaysia	• To create high impact Malaysian entrepreneurs who will become the drivers of the Malaysian entrepreneurs ecosystem, management of Malaysia office to create the awareness, and strengthen the presence of Endeavor Entrepreneurs Malaysia	• Director (appointed on 13 June 2016)

Name of company	Principal activities	Involvement in business activities
Brahmal A/L Vasudevan *(cont'd)*		
• Pacific Straits Global Holdings Sdn Bhd	• Investment holding with interest in charitable foundation	• Director (appointed on 3 February 2010) and substantial shareholder (direct)
• Maxi Pixel Sdn Bhd	• Investment holding principally involved in real estate	• Director (appointed on 23 June 2016) and substantial shareholder (direct)
• Silver Benchmark Sdn Bhd	• Investment holding principally involved in real estate	• Director (appointed on 24 October 2007) and substantial shareholder (direct)
• Creador Sdn Bhd	• Provision of business consultancy services to its related companies	• Director (appointed on 15 November 2010) and substantial shareholder (indirect)
• Creador Limited	• Investment holding with interest in the investment manager of Creador's funds and Creador Sdn Bhd	• Director (appointed on 8 January 2013) and substantial shareholder (direct)
• Creador I, LLC	• Closed-end fund	Director (appointed on 9 November 2011) and substantial shareholder (indirect)
• Creador II, LLC	• Closed-end fund	• Director (appointed on 1 July 2013) and substantial shareholder (indirect)
• Creador Management Company I Ltd	• Investment manager	• Director (appointed on 10 April 2013) and substantial shareholder (indirect)
• Creador Management Company II Ltd	• Investment manager	• Director (appointed on 1 July 2013) and substantial shareholder (indirect)
• Creador Management III Ltd	• Investment manager	• Director (appointed on 15 June 2015) and substantial shareholder (indirect)
• Creador Management IV Ltd	• Investment manager	• Director (appointed on 5 July 2018) and substantial shareholder (indirect)
• Creador Conscienta Ltd	• Investment holding with interest in charitable foundation	• Director (appointed on 21 December 2012) and shareholder (direct)
• Ventaserv Sdn Bhd	• Retail sale of any kind of product through vending machines	• Director (appointed on 13 March 2017, resigned on 15 November 2019) and shareholder (indirect)

Name of company	Principal activities	Involvement in business activities
Brahmal A/L Vasudevan ***(cont'd)***		
• Usaha Tegas Sdn Bhd	• Investment holding with investments in telecommunication, media, property oil and gas	• Director (appointed on 21 April 2008)
• Xtra Landmark Sdn Bhd	• Investment holding principally involved in real estate	• Director (appointed on 23 August 2018) and substantial shareholder (direct)
• Chinensis Limited	• Investment holding with investment in cereal and snacks manufacturer	• Director (appointed on 23 April 2012) and substantial shareholder (indirect)
• Iris Pallida Limited	• Investment holding with investment in pharmacy chain	• Director (appointed on 14 January 2015, resigned on 13 January 2020) and shareholder (indirect)
• Tristania Ltd	• Dormant	• Director (appointed on 25 May 2012) and substantial shareholder (indirect)
• Alaka Holdings Ltd	• Investment holding with investment in Creador's funds	• Director (appointed on 3 December 2008) and substantial shareholder (indirect)
• Auctus Ventures Ltd	• Investment holding principally involved in investing in private and public companies	• Director (appointed on 22 December 2014) and shareholder (direct)
• Provenio Ltd	• Dormant	• Director (appointed on 22 December 2014) and substantial shareholder (indirect)
• Gaia Union Limited	• Investment holding with investment in Creador's funds	• Director (appointed on 8 January 2013) and substantial shareholder (direct)
• Pacific Straits Ventures	• Dormant	• Director (appointed on 16 July 2004) and substantial shareholder (direct)
• Senna Pendula	• Investment holding company principally involved in investment in India	• Director (appointed on 30 March 2015) and substantial shareholder (indirect)
• Custos Holdings Limited	• Dormant	• Director (appointed on 14 August 2014, resigned on 13 January 2020) and shareholder (direct)
• Miletus Inc.	• Dormant	• Director (appointed on 30 January 2018, resigned on 11 May 2020) and shareholder (direct)

Name of company	Principal activities	Involvement in business activities
Brahmal A/L Vasudevan *(cont'd)*		
• Link Strategic Holdings Pte Ltd	• Investment holding with interest in the investment manager of ChrysCapital's funds	• Director (appointed on 8 December 2006) and substantial shareholder (direct)
• Pacific States Investment Limited	• Investment holding with investments in private companies and in privately managed portfolio of pooled funds	• Director (appointed on 25 April 2011)
• PanOcean Management Limited	• Trustee of a discretionary trust	• Director (appointed on 27 November 2015)
• ChrysCapital Management Company III, LLC	• Investment Manager	• Director (appointed on 7 June 2004, resigned on 23 December 2019)
• ChrysCapital Management Company IV, LLC	• Investment Manager	• Director (appointed on 9 December 2005)
• ChrysCapital Management Company V, LLC	• Investment Manager	• Director (appointed on 25 June 2007)
• Creador III, L.P.	• Closed-end fund	• Substantial shareholder (indirect)
• Creador IV L.P.	• Closed-end fund	• Substantial shareholder (indirect)
• D'Apotic Healthcare Sdn Bhd	• Stores specialised in retail sale of pharmaceuticals, medical and orthopaedic goods	• Director (appointed on 30 April 2015, resigned on 4 August 2017) and substantial shareholder (indirect)
• D'Apotic Pharmacy Sdn Bhd	• Dormant	• Director (appointed on 30 April 2015, resigned on 4 August 2017) and substantial shareholder (indirect)
• Aralia Armata Sdn Bhd	• Investment holding with investment in battery manufacturer	• Director (appointed on 5 December 2014, resigned on 4 March 2015) and shareholder (indirect)
• Arenga Pinnata Sdn Bhd	• Dormant	• Director (appointed on 22 April 2014, resigned on 3 March 2015) and shareholder (indirect)
• GHL Systems Berhad *(listed on the Main Market of Bursa Securities)*	• Investment holding, developing and selling in-house software programmes, sale and rental of electronic data capture equipment and its related software and services, inclusive of installation, training and maintenance	• Director (appointed on 16 April 2014, resigned on 24 May 2017)

Name of company	Principal activities	Involvement in business activities
Brahmal A/L Vasudevan *(cont'd)*		
• Big Pharmacy Healthcare Sdn Bhd	• Investment holding, pharmacy operator, retail business and rice	• Director (appointed on 30 April 2015, resigned on 4 August 2017) and substantial shareholder (indirect)
• Iris Pallida Sdn Bhd	• Investment holding with investment in pharmacy chain	• Director (appointed on 30 January 2015, resigned on 1 August 2017)
• Isotrema Sdn Bhd	• Dormant	• Director (appointed on 11 November 2013, resigned on 3 March 2015) and shareholder (indirect)
• Chinensis Sdn Bhd	• Investment holding with investment in cereal and snacks manufacturer	• Director (appointed on 29 June 2010, resigned on 3 March 2015) and substantial shareholder (indirect)
• Agave Salmiana Sdn Bhd	• Activities of holding company with investment in home improvement retail business in Indonesia	• Director (appointed on 26 November 2015, resigned on 20 July 2017)
• Neobalano Carpus Ltd	• Investment holding with investment in multi-finance company	• Director (appointed on 28 February 2012, resigned on 23 April 2015) and substantial shareholder (indirect)
• Milingtonia Limited	• Investment holding with investment in fashion retailer and multi-finance company	• Director (appointed on 1 December 2011, resigned on 8 April 2015) and substantial shareholder (indirect)
• Cycas	• Investment holding with investment in multi-finance company	• Director (appointed on 25 September 2013, resigned on 26 March 2015) and shareholder (indirect)
• Latinia Limited	• Investment holding with investment in water storage and piping solutions provider	• Director (appointed on 23 October 2013, resigned on 18 February 2015) and shareholder (indirect)
• Idria Limited	• Dormant	• Director (appointed on 3 January 2014, resigned on 13 February 2015) and shareholder (indirect)
• Raphia Limited	• Investment holding with investment in battery manufacturer	• Director (appointed on 24 April 2014, resigned on 3 March 2015) and shareholder (indirect)
• Inodes Limited	• Investment holding with investment in credit bureau	• Director (appointed on 5 June 2014, resigned on 3 September 2014) and shareholder (indirect)

Name of company	Principal activities	Involvement in business activities
Brahmal A/L Vasudevan *(cont'd)*		
• Caryota Limited	• Investment holding with investment in private commercial bank	• Director (appointed on 4 August 2014, resigned on 17 August 2015) and shareholder (indirect)
• Hamelia Limited	• Investment holding with investment in battery manufacturer	• Director (appointed on 28 November 2014, resigned on 16 February 2015) and shareholder (indirect)
• Adansonia Limited	• Investment holding with investment in battery manufacturer and multi-finance company	• Director (appointed on 7 August 2014, resigned on 3 March 2015) and shareholder (indirect)
Ng Ing Peng		
• Petra Energy Berhad (*listed on the Main Market of Bursa Securities*)	• Activities of a holding company with its subsidiaries principally involved in the provision of integrated brownfield services for the upstream oil and gas industry	• Director (appointed on 14 May 2015)
• Red Sena Berhad (Winding up) (*listed on the Main Market of Bursa Securities*)	• Special purpose acquisition company with the intended principal activity of acquiring interest in branded and packaged food and beverage businesses	• Director (appointed on 2 November 2014) and shareholder (direct)
• Euro Digital Sdn Bhd	• Rental of premises and real estate	• Substantial shareholder (direct)
• Petra Energy Development Sdn Bhd	• Investment holding, subsidiary of and development segment of Petra Energy Berhad	• Director (appointed on 20 August 2015, resigned on 15 March 2017)
• Petra Marine Sdn Bhd	• Ownership and supply of vessels	• Director (appointed on 30 June 2014, resigned on 15 March 2017)
• Petra Energy Services Sdn Bhd	• Investment holding, subsidiary of and services segment of Petra Energy Berhad	• Director (appointed on 20 August 2015, resigned on 15 March 2017)
• Petra Services Sdn Bhd	• Equipment rental and related services in oil and gas industry	• Director (appointed on 24 February 2015, resigned on 15 March 2017)
• Petra Energy Capital Sdn Bhd	• Investment holding, subsidiary of and marine assets segment of Petra Energy Berhad	• Director (appointed on 30 June 2014, resigned on 15 March 2017)
• PE Ship Management Sdn Bhd	• Provision of marine support services for oil and gas industry	• Director (appointed on 30 June 2014, resigned on 15 March 2017)

Name of company	Principal activities	Involvement in business activities
Leng Choo Yin		
• Life Chiropractic (M) Sdn Bhd	• Provision of chiropractic care and adjunctive therapies	• Director (appointed on 5 February 2007) and substantial shareholder (direct)
Tan Yu Wei		
• Sterling Infratech Sdn Bhd	• Investment holding in real estate, shares and other investments	• Director (appointed on 23 June 2020) and substantial shareholder (direct)
• Yield Management Sdn Bhd	• Investment in real estate	• Director (appointed on 1 June 2018 and resigned on 24 August 2020) and substantial shareholder (indirect)
• Yield Management Two Sdn Bhd	• Investment in real estate	• Substantial shareholder (indirect)
• U & Location Sdn Bhd	• Investment in real estate	• Director (appointed on 5 January 2012) and shareholder (direct)
• WEI Future Capital Ltd	• Investment holding	• Director (appointed on 22 May 2019) and substantial shareholder (direct)
• Mr. D.I.Y. (Thailand) Co. Ltd	• Providing consulting in business management	• Director (appointed on 17 February 2016) and shareholder (indirect)
• Mr. D.I.Y. Trading (Thailand) Co. Ltd	• Distribution business in consumer products for the Mr. D.I.Y. operations in Thailand	• Director (appointed on 27 November 2015 and resigned on 13 February 2020) and shareholder (indirect)
• Mr. D.I.Y. (Bangkok) Co. Ltd	• Mr. D.I.Y. retail operations in Thailand	• Director (appointed on 27 November 2015 and resigned on 13 February 2020) and shareholder (indirect)
• MDIH	• Investment holding, with subsidiaries involved in retail business in the South East Asian region excluding Malaysia and Brunei	• Substantial shareholder (indirect)
• Qube	• Providing computer consultancy services, software developers, and trading of related products	• Substantial shareholder through MDGM (indirect)
• Qube Apps Marketing Sdn Bhd	• Dormant	• Substantial shareholder through MDGM (indirect)
• Bee Family Limited	• Investment holding	• Substantial shareholder (indirect)

Name of company	Principal activities	Involvement in business activities
Tan Yu Wei ***(cont'd)***		
• Classic Avenue Ltd.	• Investment holding in private equity funds	• Substantial shareholder (indirect)
• Pinnacles Resources (L) Ltd.	• Dormant	• Substantial shareholder (indirect)
• Sky Venture Ltd.	• Investment holding in equity markets	• Substantial shareholder (indirect)
• MDHM	• Investment holding	• Director (appointed on 23 May 2016, resigned on 22 July 2019) and substantial shareholder (direct)
Soo Sze Yang		
• Agave Salmiana Sdn Bhd	• Activities of holding company with investment in home improvement retail business in Indonesia	• Director (appointed on 20 July 2017) and substantial shareholder (direct)
• Balance Fountain Sdn Bhd	• Retail of sale of any kind of product through vending machines	• Director (appointed on 23 January 2020)
• CTOS Insights Sdn Bhd	• Activities of holding company with investment in credit reporting business, credit bureau and information services in Malaysia	• Director (appointed on 16 August 2019)
• Enfo Sdn Bhd	• Activities of holding company with investment in credit reporting business, credit bureau and information services in Malaysia	• Director (appointed on 16 August 2019)
• Experian Information Services (Malaysia) Sdn Bhd	• Provision of credit reporting business, credit bureau and information services	• Director (appointed on 19 August 2019)
• Ventaserv Sdn Bhd	• Retail of sale of any kind of product through vending machines	• Director (appointed on 24 January 2020)
• Peta Sejahtera Sdn Bhd	• Activities of holding company with investment in grocery retail business in Malaysia	Alternate director (appointed on 18 February 2016 and resigned on 30 May 2016)

The involvement of our Directors mentioned above in other principal business activities outside of our Group and our Executive Directors' provision of advice and expertise through the consultancy and shared functions agreement as set out in Sections 10.1.1(iii) and 11.1 of this Prospectus will not affect their commitment and responsibilities to our Group in their respective roles as our Directors. See Section 11.1 of this Prospectus for details.

9.2.4 Service contracts with our Directors

As at the date of this Prospectus, there are no existing or proposed service contracts between our Directors and us which provide for benefits upon termination of employment.

9.2.5 Remuneration and material benefits in-kind of our Directors

The remuneration and material benefits in-kind (including any contingent or deferred remuneration) paid or proposed to be paid to our Directors for services rendered to us in all capacities to our Group for FYE 31 December 2019 and 2020 are as follows:

FYE 31 December 2019 (Paid)	Salary (RM'000)	Fees (RM'000)	Bonus (RM'000)	Contributions to EPF and Social Security Organisation (RM'000)	Allowances (RM'000)	Benefits-in-kind (RM'000)	Total (RM'000)
Dato' Azlam Shah Bin Alias	-	108	-	-	9	-	117
Tan Yu Yeh	600	-	175	94	48	-	917
Ong Chu Jin Adrian	540	-	158	145	72	-	915
Brahmal A/L Vasudevan	-	-	-	-	-	-	-
Ng Ing Peng	-	84	-	-	10	-	94
Leng Choo Yin	-	84	-	-	10	-	94
Tan Yu Wei	498	-	145	78	48	-	769
Soo Sze Yang	-	-	-	-	-	-	-

FYE 31 December 2020 (Proposed to be paid)	Salary (RM'000)	Fees (RM'000)	Bonus (RM'000)	Contributions to EPF and Social Security Organisation (RM'000)	Allowances (RM'000)	Benefits-in-kind (RM'000)	Total (RM'000)
Dato' Azlam Shah Bin Alias	-	144	-	-	32	-	176
Tan Yu Yeh	660	-	330	120	77	-	1,187
Ong Chu Jin Adrian	660	-	330	177	104	-	1,271
Brahmal A/L Vasudevan	-	-	-	-	-	-	-
Ng Ing Peng	-	101	-	-	18	-	119
Leng Choo Yin	-	101	-	-	10	-	111
Tan Yu Wei	564	-	282	103	57	-	1,006
Soo Sze Yang	-	-	-	-	-	-	-

The remuneration of our Directors, which includes Directors' fees, bonus and such other allowances as well as other benefits, must be considered and recommended by the Nomination and Remuneration Committee and subsequently approved by our Board. Our non-executive directors' fees must be further approved/endorsed by our shareholders at a general meeting.

9.2.6 Audit and Risk Management Committee

Our Audit and Risk Management Committee was formed by our Board on 20 February 2019. Our Audit and Risk Management Committee currently comprises the following members, of which a majority of them are Independent Non-Executive Directors:

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

Our Audit and Risk Management Committee undertakes, among others, the following functions:

(i) Risk Management and Internal Control

(a) review the principal risks and ensure implementation of appropriate risk management system to effectively identify, manage, monitor, treat and mitigate the risks impacting our Group;

(b) review and approve the procedures and guidelines for managing risks within our Group as well as monitor and assess the risk appetite and risk tolerance for our Group;

(c) review and deliberate the reports on significant risk findings and recommendations;

(d) review and assess the impact of cyber risk when undertaking any new activities, including but not limited to any investment decision, merger and acquisition, adoption of new technology and outsourcing arrangements;

(e) assess the quality, effectiveness and efficiency of the internal control in systems and processes of our Group's operations, particularly those relating to areas of significant risks;

(f) review the evaluation by the internal and external auditors of our Group's system of internal control and management's responses, and ensure that appropriate action is taken and thereafter report the same to the Board;

(g) provide oversight of sustainability reporting by ensuring the effective identification, management and reporting of material sustainability matters (i.e. risks and opportunities) affecting the economic, environmental and social aspects of our Group's businesses towards achievement of sustainability goals across our Group; and

(h) review the annual statement on risk management and internal control and sustainability reporting to be published in the annual report.

(ii) Internal Audit

(a) approve the internal audit charter and review the adequacy of the scope, functions, competency and resources of the internal audit function, and whether it has the necessary authority to carry out its work;

(b) review the internal audit plan and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function and of the Audit and Risk Management Committee and thereafter report the same to our Board, where necessary;

(c) evaluate the performance of the internal audit function, including having an external review periodically to assess the competency of the function;

(d) approve any appointment or termination of senior staff members of the internal audit function, namely the head of internal auditor and his/her deputy, if any;

(e) review appraisal or assessment of performance of the head of internal auditor and his/her deputy, if any;

(f) take cognisance of resignations of the internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;

(g) direct any special investigations to be carried out by internal audit as and when necessary and consider the major findings of the internal investigations and management's response; and

(h) review the Audit and Risk Management Committee report to be published in the annual report.

(iii) External Audit

(a) recommend the nomination and re-appointment of external auditors, their audit fees and any question of resignation or dismissal of external auditors and thereafter report the same to our Board;

(b) discuss with the external auditors before the audit commences, the nature and scope of the audit (including reviewing the audit plan) and thereafter report the same to our Board;

(c) review the audit report and discuss problems and reservations arising from the internal and final audits, including assistance given by the employees and any matters which the external auditors may wish to discuss, without the presence of the management or Executive Directors, at least twice a year or where necessary;

(d) review the external auditors' management letter and management's response;

(e) review policies and procedures to assess the suitability, objectivity and independence of the external auditors annually;

(f) review and recommend to our Board a policy to ensure the non-audit services provided by the external auditors do not impair, or appear to impair, the auditor's independence or objectivity; and

(g) review and report to our Board any significant audit findings, difficulties encountered or material weaknesses reported by the external auditors.

(iv) Compliance

(a) review the effectiveness of the system for monitoring compliance with applicable laws, regulations, rules, directives and guidelines, and the results of the management's investigation and follow-up (including disciplinary action) of any instances of non-compliance;

(b) review the findings of any examinations by regulatory authorities;

(c) obtain updates from the management and the legal counsel regarding regulatory compliance matters; and

(d) review and consider any related party transaction and conflict of interest situation that may arise within our Company or our Group, including any transaction, procedure or course of conduct that raises questions of management integrity.

9.2.7 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was established by our Board on 20 February 2019. Our Nomination and Remuneration Committee currently comprises the following members, of which a majority of them are Independent Non-Executive Directors:

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

Our Nomination and Remuneration Committee undertakes, among others, the following functions:

(i) Nomination matters

(a) recommend to our Board suitable candidates for appointment as Directors and Executive Directors, taking into consideration the following aspects when considering new appointments on our Board:-

- the candidates' skills, qualifications, knowledge, expertise, experience, professionalism and integrity;
- in the case of candidates for the position of Independent Non-Executive Directors, the ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors; and
- our Board's diversity in terms of age, gender and culture;

(b) propose to our Board the membership and chairmanship of Board Committees;

(c) review annually our Board structure, size, balance and composition to ensure that our Board has the appropriate mix of skills, experience and other qualities including core competencies to function effectively and efficiently and is in compliance with the Listing Requirements;

(d) periodically review and recommend to our Board succession planning for the Chairman, Executive Director(s) and Board Committee;

(e) recommend Director(s) who are retiring (by casual vacancy and by rotation) for re-election at our Company's annual general meeting;

(f) recommend Independent Director(s) who has/have served a cumulative term limit of nine years for re-appointment at our Company's annual general meeting;

(g) deliberate and recommend any termination of membership of any Director of our Company (if necessary) due to appropriate reasons in accordance with the relevant laws and regulations;

(h) ensure that all Directors undergo appropriate induction and continuous training programmes to enhance their performance;

(i) recommend to our Board, the terms of employment and key performance indicators of the Executive Director(s), and assess the performance of the Executive Director(s) against these key performance indicators; and

(j) assess annually the effectiveness of our Board as a whole, the committees of our Board and the contribution of each individual Director, including Independent Non-Executive Directors. Our Nomination and Remuneration Committee shall ensure that all assessments and evaluations carried out in the discharge of all its functions shall be properly documented.

(ii) <u>Remuneration matters</u>

(a) review and recommend to our Board for approval the remuneration policies and procedures for our Board, Board Committees, Executive Director(s) and senior management. Independent professional advice may be obtained in determining the remuneration framework;

(b) recommend to our Board, proposal on the Executive Director(s)' remuneration and benefits including share option and compensation payment in the event of termination of the employment/service contracts (if any) by our Company and/or our Group. The recommendation should be made based on their respective performance relative to the key performance indicator set;

(c) review and recommend to our Board's fees and benefits (if any) payable to the Non-Executive Directors for recommendation to our shareholders for approval;

(d) establish a trust to be administered by the trustee for the purpose of subscribing for new Shares and transferring them to the eligible employee(s) of our Group as and when our Nomination and Remuneration Committee deem fit in accordance to the By-Laws, where applicable;

(e) consider and determine the selection of eligible employee(s) of our Group based on the conditions of eligibility as stipulated in the By-Laws;

(f) consider and determine the overall share options allocation, including number of Shares to be granted to a selected employee and vested in him subject to the provisions in the By-Laws;

(g) consider and determine the allocation framework under the ESOS, as well as the performance targets based on performance measure i.e. key performance indicators to be achieved under the ESOS;

(h) make an offer to selected employee(s) of our Group in the form and manner as may be prescribed by our Nomination and Remuneration Committee in accordance with the By-Laws;

(i) recommend to our Board for approval, where it deems necessary, any amendment, modification, addition or deletion of the By-Laws;

(j) enter into any transactions, agreements, deeds, documents or arrangement and make rules, regulation or impose terms and conditions or delegate part of its power relating to the administration of the ESOS as our Nomination and Remuneration Committee deem fit, necessary and/or expedient subject to the provisions of the By-Laws for the time being in force; and

(k) take all necessary actions within the purview of the Nomination and Remuneration Committee pursuant to the By-Laws for the necessary and effective implementation and administration of the ESOS.

9.2.8 Corporate Responsibility Committee

Our Corporate Responsibility Committee was established by our Board on 20 February 2019. Our Corporate Responsibility Committee currently comprises the following members:

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

Our Corporate Responsibility Committee undertakes, among others, the following functions:

(i) review the effectiveness of the corporate responsibility policy and framework and how well specific corporate responsibility obligations are being managed pursuant to the corporate responsibility policy and framework;

(ii) review our Group's policies and practices in anticipating and managing external issues that have the potential to seriously impact upon our business and reputation. This will include consideration of the progress of corporate responsibility commitments around four major categories, namely the marketplace, workplace, community and environment for responsible and sustainable business growth;

(iii) review and approve the corporate responsibility activities to be undertaken by us and approve the amount of expenditure for each corporate responsibilityactivities;

(iv) review the corporate responsibility activities undertaken by us in order to monitor the performance of corporate responsibility obligations pursuant to the corporate responsibility policy;

(v) review our Group's response to those external developments and emerging risks which are likely to have significant impact on our Group's ability to conduct our business responsibly, and to maintain and safeguard corporate reputation and/or that ability;

(vi) review on an annual basis the expenditure and other commitments by our Group on corporate donations, product donations, community programmes and charitable support of any kind;

(vii) ensure that appropriate communications policies are in place and working effectively to build and protect our Group's reputation both internally and externally; and

(viii) consider other matters as may be referred to the Corporate Responsibility Committee by our Board.

9.3 KEY SENIOR MANAGEMENT

Our key senior management is responsible for the day-to-day management and operations of our Group. The members of our key senior management as at the date of this Prospectus are as follows:

Name	Age	Designation
Tan Yu Yeh	49	Non-Independent Executive Director/ Executive Vice Chairman
Ong Chu Jin Adrian	50	Non-Independent Executive Director/ Chief Executive Officer
Tan Yu Wei	47	Alternate Director to Tan Yu Yeh/ Executive Vice President
Lim Chen Hwee	40	Senior Vice President, Finance
Tan Yew Hock	47	Director and Head, Business Development
Tan Yew Teik	46	Director and Head, Logistics
Hoe Lye Peng	54	Vice President, Distribution Centre
Lau Boon Teck	41	Vice President, Retail Operations
Chin Guangui	31	Vice President, Marketing

9.3.1 Profiles of our key senior management

The profiles of our Directors who are also part of our key senior management are set out in Section 9.2.1 of this Prospectus.

(i) Lim Chen Hwee

Lim Chen Hwee, a Malaysian aged 40, is our Senior Vice President, Finance. She has over 15 years of experience in accounting and finance.

She joined our Group as Financial Controller in 2017 before being promoted to Senior Vice President, Finance in 2019. Since joining us in 2017, she has been responsible for overseeing the statutory reporting and internal management reporting functions of our Group, financial planning, treasury, tax and other finance operations.

Prior to joining us, from 2015 to 2016, she was a Senior Manager at TMF Administrative Services Malaysia Sdn Bhd and from 2012 to 2015, she worked with Time Zone Sdn Bhd as its Financial Manager, where she was responsible for providing financial management support to the operations team.

From 2007 to 2012, she worked with BDO Consulting Sdn Bhd where her last held position was Associate Director. At BDO Consulting Sdn Bhd, she was involved in, amongst others, the review of financial projections for a highway concession and financial due diligence in industries such as trading, manufacturing, investment property, shipping and power plant, as well as a water concession.

From 2004 to 2007, she worked with BDO Binder as an Audit Associate.

She obtained a Bachelor of Accountancy from Universiti Putra Malaysia in 2004. She has been a member of the Malaysian Institute of Certified Public Accountants since 2007 and the MIA since 2009.

(ii) Tan Yew Hock

Tan Yew Hock, a Malaysian aged 47, holds the designation of Director and Head, Business Development in our Company. He has over 13 years of experience in business development.

He initially joined our Group in 2006 as director in MD(K) and was subsequently appointed as director in some of our subsidiaries. He is a crucial member of the setup team for our stores in Malaysia and has held a number of positions in our Group such as manager, Head of Set-up Department and assumed his current position in 2019. Under his current position he is responsible in leading new business opportunities and identifying strategic locations with the objective of developing new markets and improving our business performance by keeping abreast with trends and changes in the retail industry.

Prior to joining us, from 2000 to 2006, he worked with Intertech Component Sdn Bhd as an Account Manager and from 1993 to 2000, he was a treasurer with Inter-Pacific Securities Sdn Bhd. From 1992 to 1993, he worked with Low & Tan Sdn Bhd as an Accounts Clerk.

He obtained a London Chamber of Commerce and Industry (LCCI) Certificate in Business Statistics and Management Accounting in 1994.

(iii) Tan Yew Teik

Tan Yew Teik, a Malaysian aged 46, holds the designation of Director and Head, Logistics in our Company. He has about 15 years of experience in retail business.

He joined our Group in 2013 and was in charge of overseeing store operations and was appointed as Director and Head, Logistics in 2019 and has been instrumental in developing our distribution management. He is responsible for overseeing our entire supply chain which includes the logistics involved in receiving our products by our distribution centre, as well as the distribution of our products to our retail stores nationwide.

Prior to joining us, from 2004 to 2013, he was a Purchasing Manager in De Little Chinatown Sdn Bhd and from 2000 to 2004, he worked with AE Technology Sdn Bhd as a customer service engineer. He began his career with Solectron Technology Sdn Bhd as a production executive from 1998 to 2000.

He obtained a Bachelors Degree in Public Management (Honours) from Universiti Utara Malaysia in 1998.

(iv) Hoe Lye Peng

Hoe Lye Peng, a Malaysian aged 54, is our Vice President, Distribution Centre. He has over 15 years of experience in supply chain, warehousing, and logistics processes.

He joined our Group in 2013 as a Store Manager and was appointed as our Head of People & Store Department in 2015 where he is responsible and oversees all our warehouse activities. He was promoted to Vice President, Distribution Centre in 2019.

Prior to joining us, from 2004 to 2013, he was a Warehouse and Logistics Manager at Solid Logic Sdn Bhd.

He graduated from Universiti Utara Malaysia in 1991 with a Bachelor of Arts (Honours) in Economics and he held a Dealer's Representative's licence from 1997 to 2019. He was with Inter-Pacific Securities Sdn Bhd from 1992 to 1997 as an Electronic Data Processing (EDP) officer.

(v) Lau Boon Teck

Lau Boon Teck, a Malaysian aged 41, is our Vice President, Retail Operations. He has over 16 years of experience in retail industry.

His is responsible for the overall operations of our stores including managing its staff, managing store inventory and in-store performance for all our stores in Malaysia and Brunei.

He joined our Group in 2010 as a Store Manager and was subsequently promoted to Operations Manager in 2011. He was further promoted in 2015 as Head of People & Senior Area Manager and re-designated as Vice President, Retail Operations in 2019.

Prior to joining us, from 2003 to 2010, he worked with De Little Chinatown Sdn Bhd. He started as a Supervisor and was promoted to Assistant Manager, being the last position held.

He obtained a Bachelor in Science (Agribusiness) from Universiti Putra Malaysia in 2002.

(vi) Chin Guangui

Chin Guangui, a Malaysian aged 31, is our Vice President, Marketing. He has over 7 years of experience in marketing.

He joined our Group in 2014 as Assistant Manager for the marketing department and was promoted to Head of Marketing in 2016. He was re-designated as Vice President, Marketing in 2019. He is responsible for overseeing all marketing and sales strategies as well as for leading our e-commerce platform. He has been vital in aiding our Group to expand our market share in Malaysia, as well as setting up digital marketing strategies, marketing plans and developing the e-commerce business.

Prior to joining us, from 2012 to 2014, he worked with Brooks Running Malaysia as a Sales & Marketing Executive where he was responsible for handling marketing, branding and event management.

He obtained a Bachelor of Arts in Business with Business Communication from University of Portsmouth, United Kingdom in 2012.

9.3.2 Shareholding of our key senior management

The following table sets out the direct and indirect shareholding of each of our key senior management (other than our Directors who are also part of our key senior management which are disclosed in Section 9.2.2 of this Prospectus) before and after our IPO:

	Before our IPO[(1)]				Upon Listing[(2)]				Upon Listing and assuming exercise of ESOS Options[(3)]			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Lim Chen Hwee	-	-	-	-	600	*	-	-	1,280	*	-	-
Tan Yew Hock	124,908	2.1	-	-	109,986	1.8	-	-	110,586	1.8	-	-
Tan Yew Teik	276,350	4.5	-	-	242,728	3.9	-	-	243,238	3.9	-	-
Hoe Lye Peng	-	-	-	-	600	*	-	-	1,320	*	-	-
Lau Boon Teck	-	-	-	-	600	*	-	-	1,320	*	-	-
Chin Guangui	-	-	-	-	600	*	-	-	1,310	*	-	-

Notes:

* Negligible.

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

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

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

9.3.3 Principal business activities performed by our key senior management outside our Group in the past five years

Saved for as disclosed below, none of our key senior management (other than our Directors who are also part of our key senior management which are disclosed in Section 9.2.3 of this Prospectus) are involved in principal business activities outside our Group as at the LPD or hold directorships in other companies outside our Group, at present and in the past five years preceding the LPD:

Name of company	Principal activities	Involvement in business activities
Tan Yew Hock		
• Sterling Infratech Sdn Bhd	• Investment holding in real estate, shares and other investments	• Substantial shareholder (direct)
• Best Match Sdn Bhd	• Principally involved in sale of toys, operations of amusement parks and real estate activities	• Director and substantial shareholder (direct)
• Fun Machine Sdn Bhd	• Provision of toys and crane machines in shopping complex	• Director and substantial shareholder (indirect)
• Yield Management Sdn Bhd	• Investment in real estate	• Director (resigned on 24 August 2020) and shareholder (indirect)
• Mr. D.I.Y. (Thailand) Co. Ltd	• Providing consulting in business management	• Director, substantial shareholder (indirect) and shareholder (direct)
• Mr. D.I.Y. Trading (Thailand) Co. Ltd	• Distribution business in consumer products for the Mr. D.I.Y. operations in Thailand	• Director (resigned on 13 February 2020) and Shareholder (direct and indirect)
• Mr. D.I.Y. (Bangkok) Co. Ltd	• Mr. D.I.Y. retail operations in Thailand	• Director (resigned on 13 February 2020) and Shareholder (direct and indirect)
• Mr. D.I.Y. Holding (Thailand) Co. Ltd	• Dormant	• Director and shareholder (direct and indirect)
• HK Asset Integration Sdn Bhd	• Investment holding of assets including real estates and securities	• Substantial shareholder (direct)
• MDHM	• Investment holding	• Director (resigned on 22 July 2019) and shareholder (direct)

Name of company	Principal activities	Involvement in business activities
Tan Yew Teik		
• Yield Management Sdn Bhd	• Investment in real estate	• Director and shareholder (indirect)
• Yield Management Two Sdn Bhd	• Investment in real estate	• Director (appointed on 14 August 2020) and shareholder (indirect)
• MDIH	• Investment holding, with subsidiaries involved in retail business in the South East Asian region excluding Malaysia and Brunei	• Director and shareholder (direct)
• Mind Professional Holding Ltd	• Investment holding with indirect subsidiaries that carry on retail business in Indonesia	• Director and shareholder (indirect)
• Azara Alpina Sdn Bhd	• Investment holding with indirect subsidiaries that carry on home improvement retail business in Indonesia	• Director and shareholder (indirect)
• Mr D.I.Y. Trading (Singapore) Pte Ltd	• Mr. D.I.Y. retail operations in Singapore	• Director and shareholder (indirect)
• Iconic Trading (Asia) Pte Ltd *(formerly known as Mr D.I.Y. Retail (Singapore) Pte Ltd)*	• Wholesale trade of a variety of goods outside Malaysia	• Director and shareholder (indirect)
• MDHM	• Investment holding	• Director and substantial shareholder (direct)
• Qube	• Providing computer consultancy services, software developers, and trading of related products	• Director and shareholder through MDGM (indirect)
• Carissa Balsam Sdn Bhd	• Investment holding with indirect subsidiaries that carry on retail business in Philippines	• Director and shareholder (indirect)
• Oceanic Star Ltd	• Investment holding company	• Director and shareholder (indirect)

The involvement of our key senior management mentioned above in other principal business activities outside our Group and in the provision of advice and expertise through the consultancy and shared functions agreement as set out in Sections 10.1.1(iii) and 11.1 of this Prospectus will not affect their continued contribution to the day-to-day management and operations of our Group. See Section 11.1 of this Prospectus for details.

9.3.4 Service contracts with our key senior management

As at the date of this Prospectus, there are no existing or proposed service contracts between our key senior management and us which provide for benefits upon termination of employment.

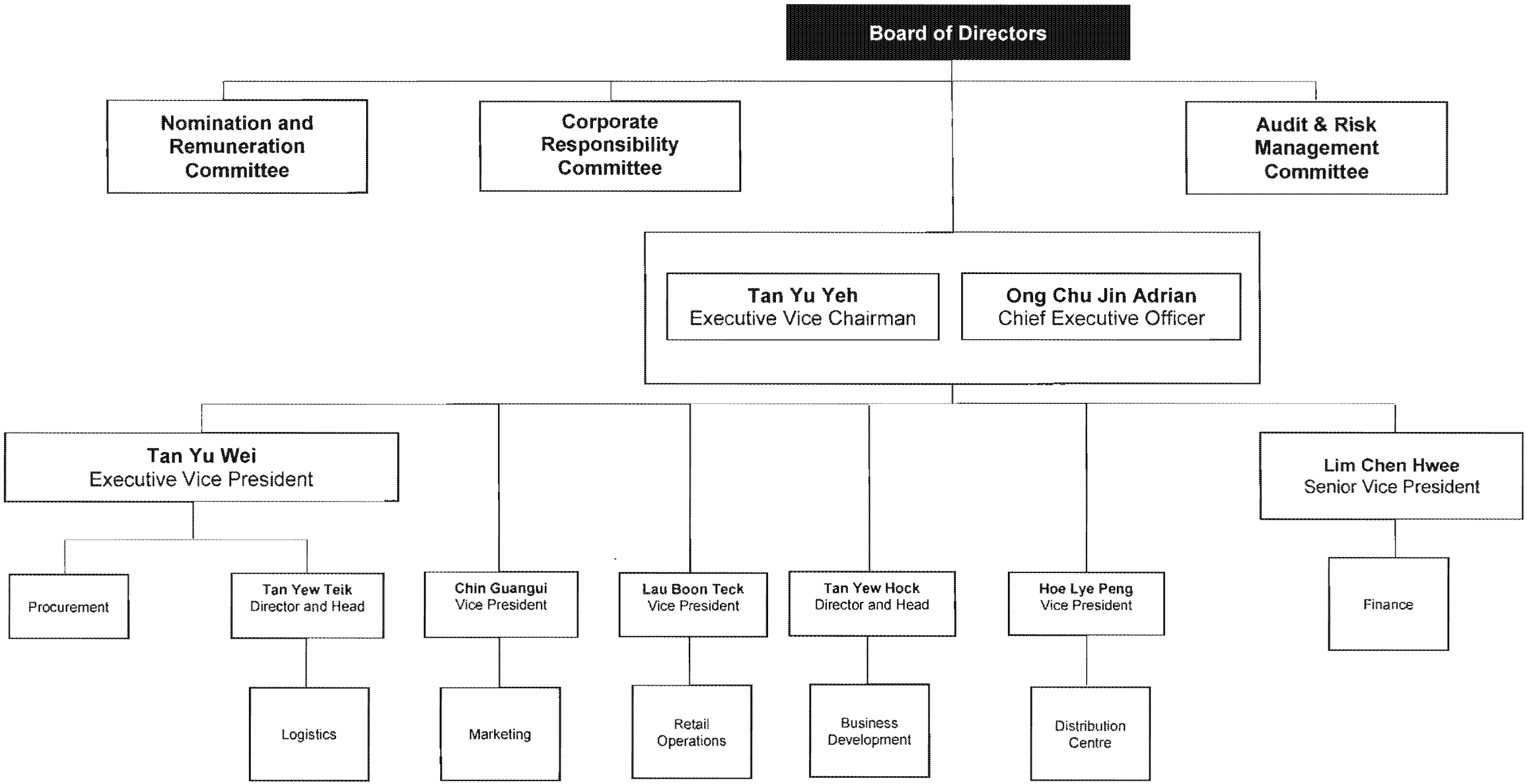
9.3.5 Remuneration and material benefits in-kind of our key senior management

The remuneration and material benefits in-kind of our Directors who are also part of our key senior management are set out in Section 9.2.5 of this Prospectus. The aggregate remuneration and material benefits in-kind (including any contingent or deferred remuneration) paid or proposed to be paid to our key senior management, other than our Directors who are also part of our key senior management, for services rendered to us in all capacities to our Group for the FYE 31 December 2019 and 2020 are as follows:

	Remuneration Band (FYE 31 December)	
	2019 (Paid)	2020 (Proposed)
Key senior management	RM'000	RM'000
Lim Chen Hwee	450-500	550-600
Tan Yew Hock	350-400	400-450
Tan Yew Teik	300-350	350-400
Hoe Lye Peng	400-450	450-500
Lau Boon Teck	400-450	450-500
Chin Guangui	350-400	450-500

9.4 MANAGEMENT REPORTING STRUCTURE

Our management reporting structure is as follows:



9.5 ASSOCIATIONS OR FAMILY RELATIONSHIP BETWEEN OUR SUBSTANTIAL SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Save as disclosed below, there are no associations or family relationships between our substantial shareholders, Promoters, Directors and key senior management:

(i) Tan Yu Yeh, who is our Promoter, substantial shareholder and Non-Independent Executive Director / Executive Vice Chairman is:

- a sole director and indirect shareholder of Bee Family Limited;
- a sole director and sole shareholder of Yeh Family (PTC) Ltd;
- brother of Tan Yu Wei, Tan Lee Ching, Tan Lee Hon, Tan Lay Keow and in-law to Poh Chu Tan and Tan Chin Hua; and
- cousin of Tan Yew Hock and Tan Yew Teik, our members of key senior management.

(ii) Tan Yu Wei, who is our Promoter, substantial shareholder, Executive Vice President and the Alternate Director to Tan Yu Yeh is:

- an indirect shareholder of Bee Family Limited;
- a sole director and sole shareholder of WEI Future Capital Limited;
- brother of Tan Yu Yeh, Tan Lee Ching, Tan Lee Hon, Tan Lay Keow and in-law to Poh Chu Tan and Tan Chin Hua; and
- cousin of Tan Yew Hock and Tan Yew Teik, our members of key senior management.

(iii) Tan Lee Ching, who is our Promoter is:

- sister of Tan Yu Yeh, Tan Yu Wei, Tan Lee Hon and Tan Lay Keow;
- sister-in-law of Poh Chu Tan;
- wife of Tan Chin Hua; and
- cousin of Tan Yew Hock and Tan Yew Teik, our members of key senior management.

(iv) Tan Chin Hua, who is our Promoter is:

- brother-in-law of Tan Yu Yeh, Tan Yu Wei, Tan Lee Hon, Tan Lay Keow and Poh Chu Tan; and
- husband of Tan Lee Ching.

(v) Tan Lee Hon, who is our Promoter is:

- sister of Tan Yu Yeh, Tan Yu Wei, Tan Lee Ching and Tan Lay Keow;
- sister-in-law of Tan Chin Hua;
- wife of Poh Chu Tan; and

- cousin of Tan Yew Hock and Tan Yew Teik, our members of key senior management.

(vi) Poh Chu Tan, who is our Promoter is:

- brother-in-law of Tan Yu Yeh, Tan Yu Wei, Tan Lee Ching, Tan Lay Keow and Tan Chin Hua; and
- husband of Tan Lee Hon.

(vii) Tan Lay Keow, who is our Promoter is:

- sister of Tan Yu Yeh, Tan Yu Wei, Tan Lee Ching and Tan Lee Hon;
- sister-in-law of Tan Chin Hua and Poh Chu Tan; and
- cousin of Tan Yew Hock and Tan Yew Teik, our members of key senior management.

(viii) Gan Choon Leng, who is our substantial shareholder is:

- spouse of Tan Gaik Hoon; and
- substantial shareholder of Platinum Alphabet.

(ix) Tan Gaik Hoon, who is our substantial shareholder is:

- spouse of Gan Choon Leng;
- substantial shareholder of Platinum Alphabet; and
- cousin of Tan Yu Yeh, Tan Yu Wei, Tan Lee Ching, Tan Lee Hon and Tan Lay Keow.

(x) Brahmal A/L Vasudevan, who is our Director is the shareholder and director of the Fund Managers of Creador Funds.

(xi) Soo Sze Yang, who is the Alternate Director to Brahmal A/L Vasudevan, is an employee of Creador which is associated with the Fund Managers of Creador Funds.

(xii) Tan Yew Hock, who is our key senior management is:

- brother of Tan Yew Teik; and
- cousin of Tan Yu Yeh, Tan Yu Wei, Tan Lee Ching, Tan Lee Hon and Tan Lay Keow.

(xiii) Tan Yew Teik, who is our key senior management is:

- brother of Tan Yew Hock; and
- cousin of Tan Yu Yeh, Tan Yu Wei, Tan Lee Ching, Tan Lee Hon and Tan Lay Keow.

9.6 DECLARATION BY OUR DIRECTORS, KEY SENIOR MANAGEMENT AND PROMOTERS

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

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

(ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(iii) in the last 10 years, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(iv) in the last 10 years, any judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;

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

(vi) the subject of any order, judgment or ruling of any court, government or regulatory authority or body temporarily enjoining such person from engaging in any type of business practice or activity;

(vii) the subject of any current investigation or disciplinary proceeding, or in the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; or

(viii) any unsatisfied judgment against such person.

9.7 OTHER MATTERS

(i) No other amounts or benefits has been paid or intended to be paid or given to our Promoters and substantial shareholders within the two years preceding the date of this Prospectus, except for remuneration received by our Promoters and substantial shareholders who are our employees in the course of their employment, directors' fees, and dividends paid to our shareholders.

(ii) There is no arrangement which operation may result in the change in control of our Company at a date subsequent to our IPO and our Listing.

(iii) Our Promoters and substantial shareholders do not have different voting rights from our other shareholders.

10. RELATED PARTY TRANSACTIONS

10.1 OUR GROUP'S RELATED PARTY TRANSACTIONS

10.1.1 Material related party transactions

Save as disclosed below, there are no other material related party transactions entered into by our Group which involves the interest, direct or indirect, of our Directors, major shareholders and/or persons connected with them for the past three FYE 31 December 2017, 2018, 2019, FPE 30 June 2020 and up to the LPD:

(i) Acquisition of the rights to subscribe for 95.0% equity interest in MDM

We acquired the rights to subscribe for 9.5 million ordinary shares in MDM ("**Right Shares**") representing 95.0% equity interest in MDM during the FYE 31 December 2017, from Tan Yu Yeh, Tan Yew Hock, Chong Swee Lee, Tan Lee Ling, Tan Yew Teik, Tan Yu Wei, Tan Yew King, and Tan Lee Lee (collectively, "**Initial Shareholders**") in favour of our Company for a cash consideration of approximately RM13.1 million via the renouncement of provisional allotments to us. Upon the purchase of the rights, we subscribed for the Right Shares, for an aggregate subscription price of RM9.5 million. The aggregate cost of our acquisition of the Right Shares and our subscription of the Right Shares of RM22.6 million represents approximately 6.5% of our consolidated NA as at 31 December 2017.

The interested Directors and interested major shareholders of our Company are Tan Yu Yeh and Tan Yu Wei, and the interested directors of our subsidiaries are Tan Yew Teik, Chong Swee Lee and Tan Yew Hock. Tan Lee Ling, Tan Yew King and Tan Lee Lee are persons connected with Tan Yew Hock.

(ii) Acquisition of 100.0% equity interests in MD(B)

We acquired 100.0% equity interest in MD(B) from Chong Swee Lee, Gan Choon Leng, Gan Sau Liang, Khoo Kwoy Kock, Poh Chu Tan, Tan Chin Hua, Tan Gaik Hoon, Tan Lay Keow, Tan Lee Ching, Tan Lee Hon, Tan Lee Lee, Tan Lee Ling, Tan Yew Hock, Tan Yew King, Tan Yew Teik, Tan Yu Yeh, Tan Yu Wei, Toh Hooi Hak, Toh Lay Fan, Toh Lee Soo and Ong Chu Jin Adrian for a total cash consideration of RM90.0 million in three tranches of RM30.0 million each. The acquisition was completed on 10 May 2019.

The purchase consideration was subject to adjustment if the actual profit after tax for FYE 31 December 2018 is more than RM4.5 million but less than RM5.5 million. The final purchase consideration was determined at approximately RM104.8 million (which represents approximately 20.0% of our NA as at 31 December 2018) and the final tranche of approximately RM44.8 million was paid on 10 July 2019.

The interested Directors are Tan Yu Yeh, Tan Yu Wei and Ong Chu Jin Adrian, and the interested directors of our subsidiaries are Tan Yew Teik, Chong Swee Lee and Tan Yew Hock. Tan Yu Yeh and Tan Yu Wei are also interested major shareholders of our Company, who are also substantial shareholders of MD(B).

Other vendors, namely, Tan Lee Ching, Tan Lay Keow, Tan Lee Hon, Poh Chu Tan and Tan Chin Hua are persons connected with Tan Yu Yeh and Tan Yu Wei.

(iii) Consultancy and shared functions agreement between MDGM and MDIH

We entered into a consultancy and shared functions agreement with MDIH, where we agreed to provide MDIH and its subsidiaries, associated companies and corporations controlled by it ("**MDIH Group**") certain services. Details of the services provided under this consultancy and shared functions agreement are as follows:

(i) Merchandise and product procurement for the MDIH Group ("**Procurement Service**")

The Procurement Service is confined to the ordering, pricing and negotiation of purchase terms while the retail operations under the brand name of "MR. D.I.Y." outside of Malaysia and Brunei ("**Regional Operations**") continue to be responsible for their own logistics, settlement and payment arrangements for their purchases.

MDIH Group is charged a service fee based on the percentage of the purchases attributable to the Regional Operations where this percentage is applied to the overhead costs of our entire procurement department which is overseen by Tan Yu Wei, our Alternate Director and key senior management, consisting of total salaries, allowances and statutory contributions for all the personnel with a 10.0% mark-up, plus expenses incurred in providing such services such as flight expenses, accommodation and other travel expenses.

There is no preferential arrangement between MDGM and MDIH Group in respect of the pricing terms set by the end suppliers for merchandise purchased by the MDGM Group and MDIH Group. The unit price (excluding handling charges) for identical merchandise ordered at the same time by MDGM and the MDIH Group has been the same for the FYE 31 December 2016 to 2019 and up to the LPD. We intend to adopt a similar position in the future.

(ii) Financial reporting for the Singapore operations of MDIH ("**Financial Reporting Service**")

The applicable service fee charged to MDIH for the Financial Reporting Service shall be the overhead costs consisting of total salaries, allowances and statutory contributions for our two finance department personnel who have been allocated for this service and supervised by Lim Chen Hwee, our Senior Vice President, Finance and key senior management, with a 10.0% mark-up, plus expenses incurred in providing such services such as such as flight expenses, accommodation and other travel expenses.

(iii) Consultancy services for the MDIH Group ("**Consultancy Services**")

The Consultancy Services consist of the provision of advice from time to time for marketing (such as initial marketing initiatives for new stores and common branding theme), retailing, warehouse, logistic, procurement and corporate office matters (including miscellaneous advice such as information technology, finance and business development) for the MDIH Group. This service is expected to be provided by various selected personnel of our Group, including Tan Yu Yeh and Ong Chu Jin Adrian, our Executive Directors, Tan Yu Wei, our Alternate Director, and our other key senior management.

The Consultancy Services are charged to MDIH based on the pro-rated remuneration (comprising total monthly salaries, allowances and statutory contributions) of our personnel who are involved, for the number of man days spend in providing the Consultancy Services with a 10.0% mark-up, plus expenses incurred in providing such services such as such as flight expenses, accommodation and other travel expenses.

Prior to the entering of the consultancy and shared functions agreement with MDIH, no cost was allocated to the MDIH Group in respect of the services mentioned above except for the reimbursable expenses paid on behalf of MDIH Group as set out in Section 10.1.1(vii) below.

The agreement was effective from 1 October 2019. The total service fee for the three month period for FYE 31 December 2019 commencing 1 October 2019 to 31 December 2019 was approximately RM438,000 (which represents approximately 0.14% of our net profit for FYE 31 December 2019). The estimated service fee for the FYE 31 December 2020 is approximately RM3.6 million.

The interested Directors and interested major shareholders of our Company are Tan Yu Yeh, who is a substantial shareholder and director of MDIH, and Tan Yu Wei, who is a substantial shareholder of MDIH. Bee Family Limited is a person connected with Tan Yu Yeh and Tan Yu Wei.

(iv) Deeds of Assignment executed by Tan Yu Yeh and Iconic Edge Ltd, each as assignor, in favour of our Company, as assignee

Tan Yu Yeh and Iconic Edge Ltd have each executed the Deeds of Assignment in our favour for the assignment of all the benefits, rights, title and interests in the Trademarks which we use in our business in Malaysia and Brunei. For further details on the Trademarks, see Annexure C of this Prospectus.

The interested Director and interested major shareholder of our Company is Tan Yu Yeh, who is the assignor and the sole shareholder of Iconic Edge Ltd, who is the second assignor. Tan Yu Wei and Bee Family Limited are persons connected with Tan Yu Yeh.

(v) Licensing Agreement between MDGM, Tan Yu Yeh and his assignee, Iconic Edge Ltd

We entered into the Licensing Agreement with Tan Yu Yeh and his assignee, Iconic Edge Ltd, pursuant to which Tan Yu Yeh granted our Company an exclusive, perpetual and irrevocable licence, to use all of the IPRs for our business in Malaysia and Brunei, and the right to sub-licence such use to our subsidiaries. Further thereto, Tan Yu Yeh has executed an assignment of the IPRs in favour of Iconic Edge Ltd, which has agreed to grant our Company an exclusive, perpetual and irrevocable licence to use all the IPRs and, as licensor, to be bound by the same terms and be subject to the same conditions as Tan Yu Yeh under the Licensing Agreement.

Pursuant to the Licensing Agreement, we do not have to pay any fees for the grant of the licence save for the nominal consideration of RM10 and payment of costs for registration and renewal of the Trademarks in Malaysia and Brunei.

Further, by virtue of the letter of acknowledgement dated 12 August 2020 between MDGM and Tan Yu Yeh and Iconic Edge Ltd, the parties acknowledged that we are the beneficial owners of the Trademarks under the Deeds of Assignment and have consented to the exclusion of the Trademarks from the Licensing Agreement.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

The interested Director and interested major shareholder of our Company who is interested in this transaction is Tan Yu Yeh who is the licensor and the sole shareholder of the assignee, Iconic Edge Ltd. Tan Yu Wei and Bee Family Limited are persons connected with Tan Yu Yeh.

(vi) Sale of goods by MDT to Mr. D.I.Y. Trading (Singapore) Pte Ltd

Our wholly-owned subsidiary, MDT sells and supplies goods to Mr. D.I.Y. Trading (Singapore) Pte Ltd, for their retail operations in Singapore which commenced in August 2018, from FYE 31 December 2018 (being the first financial year when the sales and supply commenced) to the LPD as follows:

	FYE 31 December 2018	FYE 31 December 2019	FPE 30 June 2020	Between 1 July 2020 and the LPD
	RM'000	RM'000	RM'000	RM'000
Sale of goods	(1)2,052	(2)15,886	(3)9,029	4,766

Notes:

(1) Represents 0.12% of our Group's revenue for FYE 31 December 2018.

(2) Represents 0.70% of our Group's revenue for FYE 31 December 2019.

(3) Represents 0.86% of our Group's revenue for FPE 30 June 2020.

The transactions are recurrent in nature.

The Directors and major shareholders of our Company, Tan Yu Yeh and Tan Yu Wei are interested in the transactions as they are substantial shareholders of MDIH, the holding company of Mr. D.I.Y. Trading (Singapore) Pte Ltd.

(vii) Reimbursable expenses paid on behalf of MDIH Group

Our Group incurred expenses relating to travelling, accommodation and other miscellaneous expenses in conjunction with the provision of services governed under the consultancy and shared functions agreement in Section 10.1.1(iii) of this Prospectus.

The amount incurred in respect of these expenses for the past three FYE 31 December 2017, 2018, 2019, FPE 30 June 2020 and up to the LPD are as follows:

	FYE 31 December 2017	FYE 31 December 2018	FYE 31 December 2019	FPE 30 June 2020	Between 1 July 2020 and the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Reimbursable expenses paid on behalf of MDIH Group	366	1,595	3,478	108	12

The above expenses are reimbursed by the MDIH Group as incurred and regarded as material related party transaction upon aggregation with the sale of goods by MDT to Mr. D.I.Y. Trading (Singapore) Pte Ltd, which is also part of the MDIH Group, see Section 10.1.1(vi) of this Prospectus.

The transactions are recurrent in nature.

The Directors and major shareholders of our Company, Tan Yu Yeh and Tan Yu Wei are interested in the transactions as they are shareholders of MDIH. The Directors of our Company and our subsidiaries, Ong Chu Jin Adrian, Tan Yew Teik, Tan Yew Hock and Chong Swee Lee are interested in the transactions above as they are also shareholders of MDIH.

Our Directors confirm that all the above related party transactions were transacted on an arms' length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party and are not detrimental to our non-interested shareholders, save for the following:

(i) Consultancy and shared functions agreement between MDGM and MDIH

Due to the nature of the services provided under the agreement, which is exclusive in nature with no third party comparables, we were unable to ascertain whether the transaction will be transacted on an arm's length basis.

Our Directors are of the view that the mark-up to be charged on top of our overhead costs incurred for the provision of the services under the agreement and the terms of the agreement are fair to us in view that we earn additional income from the 10.0% mark-up whilst allowing us to leverage on economies of scale for under the Procurement Service, with the ability to terminate the agreement if need be and hence, our Directors are also of the view that the consultancy and shared functions agreement is not detrimental to our Group and our non-interested shareholders.

(ii) The Deeds of Assignment

The Deeds of Assignment are not considered by our Directors to be on an arm's length basis as it was provided on terms favourable to us at a nominal consideration of RM1 payable by us. The Deeds of Assignment confer to us all the benefits, rights, title and interests in the Trademarks which we use in our business in Malaysia and Brunei. Therefore, our Directors are of the view that the terms of the Deeds of Assignment are not detrimental to our Group and our non-interested shareholders.

(iii) The Licensing Agreement

The Licensing Agreement is not considered by our Directors to be on an arm's length basis as it was provided on terms favourable to us at a nominal consideration of RM10 payable by us. The Licensing Agreement enables us to use all the IPRs for our business. Therefore, our Directors are of the view that the terms of the Licensing Agreement are not detrimental to our Group and our non-interested shareholders.

Our Directors also confirm that there are no other material related party transactions that have been entered by our Group that involves the interest, direct or indirect, of our Directors, major shareholders and/or persons connected with them but not yet effected up to the date of this Prospectus.

After our Listing, we will be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders (which mandate would typically be renewed as required at each AGM of our Company) to enter into such recurrent transactions without having to seek separate shareholders' approval each time we wish to enter into such recurrent related party transactions during the validity period of the mandate.

10.1.2 Related party transactions entered into that are unusual in their nature or conditions

There are no related party transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets to which we were a party in respect of the past three FYE 31 December 2017, 2018 and 2019, FPE 30 June 2020 and up to the LPD.

10.1.3 Outstanding loans and/or financial assistance made to or for the benefit of related parties

There are no material outstanding loans or financial assistance (including guarantees of any kind) made by our Group to or for the benefit of our related parties in respect of the past three FYE 31 December 2017. 2018 and 2019, FPE 30 June 2020 and up to the LPD.

10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

10.2.1 Audit and Risk Management Committee review

The Audit and Risk Management Committee reviews related party transactions and conflicts of interest situations that may arise within our Company or our Group. The Audit and Risk Management Committee also reviews any transaction, procedure or course of conduct that raises questions of management integrity, including our related party transactions. In reviewing the related party transactions, the following, amongst other things will be considered:

(i) the rationale and the cost/benefit to our Company is first considered;

(ii) where possible, comparative quotes will be taken into consideration;

(iii) that the transactions are based on normal commercial terms and not more favourable to the related parties than those generally available to third parties dealing on an arm's length basis; and

(iv) that the transactions are not detrimental to our Company's non-interested shareholders.

In addition, our Audit and Risk Management Committee will also supervise, review and monitor any recurrent related party transaction and the terms thereof. In respect of the consultancy and shared functions agreement, our Audit and Risk Management Committee will monitor, review and approve the aggregate threshold value of the services to be provided by our Company to the MDIH Group. Such approval may be reviewed, amended or renewed on an annual basis or on an ad hoc basis, as determined to be appropriate and in the best interests of MDGM by our Audit and Risk Management Committee. For details of the consultancy and shared functions agreement, see Section 10.1.1(iii) of this Prospectus.

All reviews by the Audit and Risk Management Committee are reported to our Board for its further action. Where necessary, our Board would make the appropriate disclosure in our annual report with regard to any related party transaction (recurrent or one off) entered into by us.

10.2.2 Our Group's policy on related party transactions

Related party transactions by their very nature, involve conflicts of interest between our Group and the related parties with whom our Group has entered into such transactions. Some of the officers and the Directors of our Group are also officers, directors and in some cases, shareholders of the related parties of our Group, as disclosed in this Prospectus and, with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of our Group that all related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to the public dealing at arm's length with our Group and are not to the detriment of our non-interested shareholders.

In addition, we plan to adopt a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situations and intend for the framework to be guided by the Listing Requirements and the MCCG upon our Listing. The procedures which may form part of the framework including, amongst other things, the following:

(i) our Board will undertake an annual assessment of our Independent Directors;

(ii) our Directors will be required to declare any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and

(iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transactions to our Audit and Risk Management Committee for evaluation and assessment who would in turn, make a recommendation to our Board.

11. CONFLICT OF INTEREST

11.1 INTEREST IN ENTITIES WHICH CARRY ON A SIMILAR TRADE AS THAT OF OUR GROUP OR WHICH ARE OUR CUSTOMERS OR SUPPLIERS

Involvement of our Directors and substantial shareholders in entities which carry on a similar trade as that of our Group or which are our customers or suppliers

As at the LPD, save as disclosed below, our Directors and substantial shareholders do not have any interest, direct or indirect, in any entities which are carrying on a similar trade as that of our Group or which are our customers or suppliers:

No.	Businesses/ Corporations	Principal activity	Nature of interest
1.	MR. D.I.Y. Trading (Thailand) Co. Ltd ("**MR. D.I.Y. Trading (Thailand)**")	Distribution business in consumer products for the Mr. D.I.Y. operations in Thailand	<u>Interested MDGM Directors</u>: Tan Yu Yeh, Tan Yu Wei (Alternate Director) and Ong Chu Jin Adrian <u>Interested MDGM Substantial Shareholders</u>: Tan Yu Yeh, Tan Yu Wei, Gan Choon Leng and Tan Gaik Hoon MDIH is the holding company of MR. D.I.Y. (Thailand) Ltd ("**MR. D.I.Y. Thailand**"), the substantial shareholder of Mr. D.I.Y. Co., Ltd and Mr. D.I.Y. Holding (Thailand) Co., Ltd. Mr. D.I.Y. Co., Ltd. is the holding company of Mr. D.I.Y. Holding (Thailand) Co., Ltd., the holding company of MR. D.I.Y. Trading (Thailand), MR. D.I.Y. Bangkok and Strategic Logistic Co., Ltd. Tan Yu Yeh, Tan Yu Wei, Ong Chu Jin Adrian, Gan Choon Leng and Tan Gaik Hoon are shareholders of MDIH. Tan Yu Yeh and Gan Choon Leng are directors of MDIH. Tan Yu Wei and Gan Choon Leng are directors of Mr. D.I.Y. (Thailand) Co., Ltd.
2.	MR. D.I.Y. (Bangkok) Co., Ltd ("**MR. D.I.Y. Bangkok**")	Mr. D.I.Y. retail operations in Thailand	
3.	Strategic Logistic Co., Ltd	Import, export and distribution of consumer products in Thailand	
4.	Mr D.I.Y. Trading (Singapore) Pte Ltd ("**Mr. D.I.Y. Trading**")	Mr. D.I.Y. retail operations in Singapore	<u>Interested MDGM Directors</u>: Tan Yu Yeh, Tan Yu Wei (Alternate Director) and Ong Chu Jin Adrian <u>Interested MDGM Substantial Shareholders</u>: Tan Yu Yeh, Tan Yu Wei, Gan Choon Leng and Tan Gaik Hoon MDIH is the holding company of Mr. D.I.Y. Singapore Ltd, which in turn is the holding company of Mr. D.I.Y. Trading. Mr. D.I.Y Trading is a customer of our Group. Tan Yu Yeh, Tan Yu Wei, Ong Chu Jin Adrian, Gan Choon Leng and Tan Gaik Hoon are shareholders of MDIH. Tan Yu Yeh and Gan Choon Leng are directors of MDIH.

No.	Businesses/ Corporations	Principal activity	Nature of interest
			Gan Choon Leng is a director of Mr. D.I.Y. Trading.
5.	Iconic Trading (Asia) Pte Ltd (*formerly known as Mr D.I.Y. Retail (Singapore) Pte Ltd*) ("**Iconic**")	Wholesale trade of a variety of goods outside Malaysia	<u>Interested MDGM Directors</u>: Tan Yu Yeh, Tan Yu Wei (Alternate Director) and Ong Chu Jin Adrian <u>Interested MDGM Substantial Shareholders</u>: Tan Yu Yeh, Tan Yu Wei, Gan Choon Leng and Tan Gaik Hoon MDIH is the holding company of Oceanic Star Ltd, which in turn is the holding company of Iconic. Tan Yu Yeh, Tan Yu Wei, Ong Chu Jin Adrian, Gan Choon Leng and Tan Gaik Hoon are shareholders of MDIH. Tan Yu Yeh and Gan Choon Leng are directors of MDIH.
6.	PT Duta Intiguna Yasa ("**Intiguna**")	Trading and importing of goods for the Mr. D.I.Y. operations in Indonesia	<u>Interested MDGM Directors</u>: Tan Yu Yeh, Tan Yu Wei (Alternate Director), Ong Chu Jin Adrian, Brahmal A/L Vasudevan and Soo Sze Yang (Alternate Director) <u>Interested MDGM Substantial Shareholders</u>: Tan Yu Yeh, Tan Yu Wei, Creador III L.P., Gan Choon Leng and Tan Gaik Hoon MDIH is the holding company of Mind Professional Holding Ltd ("**Mind Professional**"), which in turn is the holding company of Azara Alpina Sdn Bhd ("**Azara**"). Azara is the holding company and Agave Salmiana Sdn Bhd ("**Agave**") is the other shareholder of PT Daya Intiguna Yasa, which in turn is the holding company of Intiguna, Indah and Sentosa. Tan Yu Yeh, Tan Yu Wei, Ong Chu Jin Adrian, Gan Choon Leng and Tan Gaik Hoon are shareholders of MDIH. Tan Yu Yeh and Gan Choon Leng are directors of MDIH. Ong Chu Jin Adrian and Brahmal A/L Vasudevan are indirect limited partners of Creador III L.P., which in turn is an indirect shareholder of Azara. Tan Yu Yeh is also a shareholder of Azara. Ong Chu Jin Adrian and Soo Sze Yang are shareholders of Agave. Tan Yu Yeh and Gan Choon Leng are directors of both Mind Professional and Azara.
7.	PT Daya Indah Yasa ("**Indah**")	Mr. D.I.Y. retail operations in Indonesia	
8.	PT Duta Sentosa Yasa ("**Sentosa**")	Distribution operations in Indonesia	

11. CONFLICT OF INTEREST *(Cont'd)*

No.	Businesses/ Corporations	Principal activity	Nature of interest
9.	Bricolage Distributor Inc ("**Bricolage Distributor**")	Distribution operations in Philippines	Interested MDGM Directors: Tan Yu Yeh, Tan Yu Wei (Alternate Director), Ong Chu Jin Adrian and Brahmal A/L Vasudevan Interested MDGM Substantial Shareholders: Tan Yu Yeh, Tan Yu Wei, Gan Choon Leng and Tan Gaik Hoon MDIH is the holding company of Mr. D.I.Y. (Singapore) Ltd, which in turn is the holding company of Carissa Balsam Sdn Bhd ("**Carissa**"). Carissa is the holding company of Bricolage Holding Inc, which in turn is the holding company of Bricolage Distributor, Bricolage Philippines and Bricolage Import. Tan Yu Yeh, Tan Yu Wei, Ong Chu Jin Adrian, Gan Choon Leng and Tan Gaik Hoon are shareholders of MDIH. Tan Yu Yeh and Gan Choon Leng are directors of MDIH. Tan Yu Yeh is a director of Carissa. Tan Yu Yeh, Ong Chu Jin Adrian, Brahmal A/L Vasudevan, Gan Choon Leng and Tan Gaik Hoon have indirect limited partnership interests in Creador IV L.P., which in turn has indirect substantial shareholdings in Carissa. Tan Yu Wei has direct and indirect limited partnership interests in Creador IV L.P.
10.	Bricolage Philippines Inc ("**Bricolage Philippines**")	Mr. D.I.Y. retail operations in Philippines	
11.	Bricolage Import Inc ("**Bricolage Import**")	Dormant	
12.	Mr D.I.Y. (Cambodia) Co., Ltd ("**Mr D.I.Y. Cambodia**")	Mr. D.I.Y. retail operations in Cambodia	Interested MDGM Directors: Tan Yu Yeh, Tan Yu Wei (Alternate Director) and Ong Chu Jin Adrian Interested MDGM Substantial Shareholders: Tan Yu Yeh, Tan Yu Wei, Gan Choon Leng and Tan Gaik Hoon MDIH is the holding company of Aellers International Ltd, which in turn is the holding company of Mr D.I.Y. Cambodia. Tan Yu Yeh, Tan Yu Wei, Ong Chu Jin Adrian, Gan Choon Leng and Tan Gaik Hoon are shareholders of MDIH. Tan Yu Yeh and Gan Choon Leng are directors of MDIH. Ong Chu Jin Adrian is a director of Mr D.I.Y. Cambodia.

11. CONFLICT OF INTEREST *(Cont'd)*

No.	Businesses/ Corporations	Principal activity	Nature of interest
13.	Mr. D.I.Y. (LAO) Co., Ltd ("**Mr. D.I.Y. Lao**")	Mr. D.I.Y. retail operations in Laos (inactive)	Interested MDGM Directors: Tan Yu Yeh, Tan Yu Wei (Alternate Director) and Ong Chu Jin Adrian Interested MDGM Substantial Shareholders: Tan Yu Yeh, Tan Yu Wei, Gan Choon Leng and Tan Gaik Hoon MDIH is the holding company of Arragon Resources Ltd, which in turn is the holding company of Mr. D.I.Y. Lao. Tan Yu Yeh, Tan Yu Wei, Ong Chu Jin Adrian, Gan Choon Leng and Tan Gaik Hoon are shareholders of MDIH. Tan Yu Yeh and Gan Choon Leng are directors of MDIH. Ong Chu Jin Adrian is a director of Mr. D.I.Y. Lao.
14.	Eco-Shop Marketing Sdn Bhd ("**Eco-Shop**")	Engaged in the business of retailing of groceries and general consumer goods	Interested MDGM Directors: Tan Yu Yeh, Tan Yu Wei (Alternate Director), Ong Chu Jin Adrian and Brahmal A/L Vasudevan Interested MDGM Substantial Shareholders: Tan Yu Yeh, Tan Yu Wei, Gan Choon Leng and Tan Gaik Hoon Tan Yu Yeh, Tan Yu Wei, Ong Chu Jin Adrian, Brahmal A/L Vasudevan, Gan Choon Leng and Tan Gaik Hoon are indirect limited partners of Creador IV L.P., which in turn has indirect 10% shareholding in Eco-Shop. Tan Yu Wei has direct and indirect limited partnership interests in Creador IV L.P.

Regional Operations undertaken by MDIH

Our Directors or substantial shareholders as described above have interests in retail operations under the brand name of "MR. D.I.Y." outside of Malaysia and Brunei ("**Regional Operations**"). Our Board is of the view that the involvement/interests of our Directors and substantial shareholders in the Regional Operations do not give rise to any existing or potential conflict of interest as the Regional Operations do not compete with our business because the business under the Regional Operations are geographically distinct due to the following reasons:

(i) Our operations are in Malaysia and Brunei while the Regional Operations operate outside these countries, specifically Thailand, Indonesia, Philippines, Cambodia and Singapore while the "MR. D.I.Y." operations in Laos have not commenced as at the LPD. For the Creador-related funds, their interests are only in respect of "MR. D.I.Y."'s operations in the Philippines and Indonesia. Accordingly, due to geographical boundaries, each of the Regional Operations including any other geographies to be entered into in the future has an entirely distinct and separate customer base and market, and as a result, does not compete for the same customers as MDGM;

(ii) We own the Trademarks under the Deeds of Assignment and we are in the process of registering the Trademarks under our name with the Intellectual Property Corporation of Malaysia and the Brunei Intellectual Property Office for our business in Malaysia and Brunei. In addition, under the Licensing Agreement, we have been granted an exclusive, perpetual and irrevocable licence to use all of the IPRs in Malaysia and Brunei. As a result, we are the sole entity that is able to conduct retail operations under the "MR D.I.Y." brand and associated brands in Malaysia and Brunei. See Annexure C of this Prospectus for further details on the Trademarks, Section 10.1.1(iv) of this Prospectus for further details on the Deeds of Assignment and Section 10.1.1(v) of this Prospectus for further details on the Licensing Agreement;

(iii) We have an established presence in Malaysia, spanning over 15 years and we are the largest home improvement retailer in Malaysia in 2019. The scale of our store network is substantial. As at the LPD, our store network in Malaysia was more than seven times larger than the number of stores operated by our closest competitor which places us in an advantageous position in terms of competition; and

(iv) Our key senior management personnel are not involved in the day-to-day management of the "MR. D.I.Y." operations in Thailand, Indonesia, Philippines, Singapore and Cambodia (despite the provision of the advisory and consultancy services from time to time alongside overseeing certain shared function services as described below) and will not be involved in the day-to-day operations in Laos upon their commencement of business. Each Regional Operations has its own independent and standalone in-country management team including their own country heads and/or area managers to undertake their respective day-to-day operations. In the case of Cambodia, its operations are managed by the management team in Thailand.

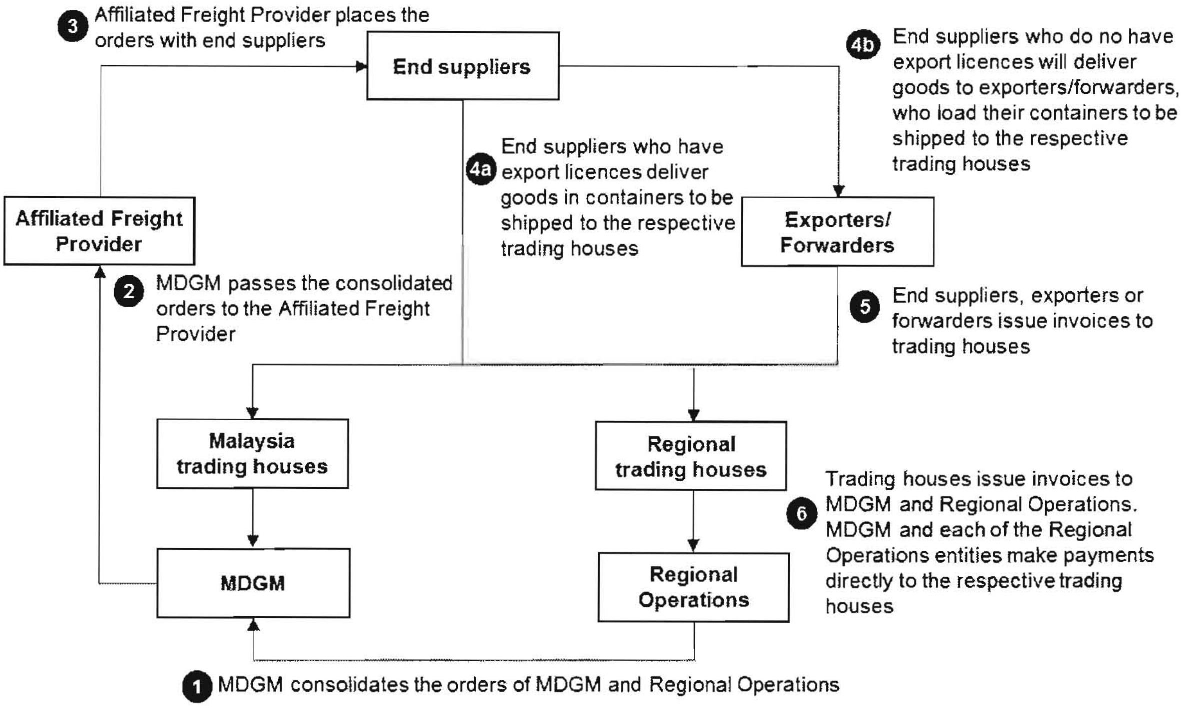
Consultancy and Shared Functions services

There are certain centralised functions and services provided to the Regional Operations by us as described in Section 10.1.1(iii) of this Prospectus, in particular the Procurement Service and financial reporting services (for Singapore only). In addition, Tan Yu Yeh and Ong Chu Jin Adrian who are our Executive Directors, Tan Yu Wei, who is our Alternate Director and our other key senior management personnel, provide advisory and consultancy services on marketing (such as initial marketing initiatives for new stores and common branding theme), retailing, warehouse, logistic, procurement and corporate office matters (including miscellaneous advice such as information technology, finance and business development).

As disclosed in Section 10.1.1(iii) of this Prospectus, the Procurement Service is confined to the ordering, pricing and negotiation of purchase terms. MDGM negotiates directly with the end suppliers on the pricing of products and supply arrangements, and consolidates the purchase orders of MDGM and the Regional Operations before passing the orders to the end suppliers. Where purchases of products are made from end suppliers in China, a China-based freight management service provider (referred to in Section 7.10.1 of this Prospectus) ("**Affiliated Freight Provider**") places the consolidated orders with the respective end suppliers in China on behalf of MDGM and the Regional Operations.

The Regional Operations are responsible for the logistics, settlement and payment arrangements of their purchases. As part of our import supply chain process as illustrated in the diagram below, the end suppliers, exporter or forwarder would deliver the products to the respective trading houses in Malaysia and the countries where the Regional Operations operate. Invoices are issued to the respective trading houses for the products. MDGM and/or the Regional Operations receive the imported products from the respective trading houses, and make payments to the respective trading houses against their respective invoices. The trading houses pass on the applicable portion of these payments to the relevant end suppliers in settlement of the purchases of the imported products.

Import supply chain process of MDGM and Regional Operations



Our Board is of the view that the provision of these shared functions and services by our Group as well as the advisory and consultancy services by our Executive Directors and key senior management personnel to the MDIH Group do not give rise to any existing and potential conflict of interest situation because:

(i) Their involvement is only limited to providing consultative services. In providing such services, each of them expects to spend only between 9 to 40 days a year and the time spent in providing such services will not affect their commitment to our Group in terms of their respective roles and responsibilities since these services do not entail any executive function or role to be undertaken by any of them;

(ii) The collective Procurement Service is mutually beneficial to us and MDIH Group as the consolidation of both our orders through the same supply chain enables us to gain greater economies of scale in sourcing and procurement, and as a result, we are able to negotiate for more attractive terms from our suppliers with no preferential arrangement between us and the MDIH Group in respect of the pricing terms set by the end suppliers for merchandise purchased by us and the MDIH Group;

(iii) Through the advisory and consultancy services, we are able to broadly develop the "MR D.I.Y." brand positively over a common platform; and

(iv) The services described above are subject to review and approval of our Audit and Risk Management Committee, and subject to the thresholds and approval for recurrent related party transactions prescribed under the Listing Requirements which may necessitate an announcement and, if applicable, the mandate or approval of our shareholders. The arrangement was effective starting 1 October 2019 and may be terminated upon either party giving at least two months' prior notice. In any event, for the duration of the arrangement, the provision of such services to the MDIH Group is subject to the availability of our personnel and resources and is at our sole discretion.

Eco-Shop

Certain of our Directors and substantial shareholders as described in Section 11.1 of this Prospectus above have an interest in Eco-Shop through Creador IV L.P. ("**Creador IV**"). Our Board is of the view that this interest in Eco-Shop does not give rise to any existing or potential conflict of interest with our Group due to the following:

(i) Our sales of household, hardware and electrical product categories collectively account for approximately 68.9% of our sales for FPE 30 June 2020 and approximately 66.9% for FYE 31 December 2019. On the other hand, Eco-Shop's sales are largely focused on food and beverage, consumables, groceries and household product categories with minor sales contribution from hardware and electrical products, all of which are sold at a fixed price of RM2.10. Our "MR. D.I.Y." stores do not operate a fixed priced model and retail a wider product variety at varying price points, as compared to Eco-Shop. Based on this, Eco-Shop is not viewed as a competitor to our "MR. D.I.Y." stores;

(ii) Creador IV's indirect shareholding in Eco-Shop is only 10% and the remaining shareholders of Eco-Shop and its directors are not related to nor are they associates of our Directors and substantial shareholders. The interest in Eco-Shop by certain of our Directors and substantial shareholders is only by virtue of their limited partnership interests in Creador IV, representing a collective effective equity interest in Eco-Shop of only 0.8%;

(iii) Creador IV is a limited partnership formed to operate as a closed-end fund managed by Creador Management IV Ltd ("**Manager**") where its interest in Eco-Shop is only for investment purposes. Our Directors and substantial shareholders are merely financial investors of Creador IV and as limited partners, they do not have any control or ability to participate in Creador IV's management, investment decision or its investees; and

(iv) Although Brahmal A/L Vasudevan is a director and substantial shareholder of the Manager and also a limited partner of Creador IV, he is our non-executive Director and is not involved in our management and in respect of Eco-Shop, he does not sit on its board of directors nor is he involved in its management.

11.2 DECLARATION BY ADVISERS ON CONFLICTS OF INTEREST

11.2.1 Declaration by CIMB

CIMB and its related and associated companies, as well as its holding company CIMB Group Holdings Berhad and the subsidiaries and associated companies of its holding company ("**CIMB Group**") form a diversified financial group and are engaged in a wide range of businesses relating to amongst others, retail banking, investment banking, commercial banking, brokerage, securities trading, asset and funds management and credit transaction services business. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for our company and/or our affiliates.

In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Company and/or our affiliates, and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Company and/or our affiliates. This is a result of the businesses of the CIMB Group generally acting independently of each other, and accordingly there may be situations where parts of the CIMB Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of our Group.

As at the LPD, CIMB Bank Berhad and CIMB Islamic Bank Berhad have extended total credit facilities of RM312.3 million to our Group. It is expected that our Company will repay some of the borrowings owing to CIMB Bank Berhad using the proceeds raised from our Public Issue. The credit facilities were granted on the conditions, that among others, we provide an undertaking to submit an application for the Listing within 12 months from the first drawdown and for us to use all reasonable efforts to carry out the Listing within 24 months from the first drawdown.

CIMB is of the view that the abovementioned extension of credit facilities does not result in a conflict of interest in respect of its capacity which prevents it from acting as Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO due to the following:

(i) the total credit facilities extended are not material when compared to the audited total NA of CIMB Group of approximately RM56.2 billion as at 31 December 2019; and

(ii) CIMB Bank Berhad is a licensed commercial bank and CIMB Islamic Bank Berhad is a licensed Islamic bank and the extension of such credit facilities to our Group arose in the ordinary course of business of CIMB Bank Berhad.

11.2.2 Declaration by Maybank IB

Maybank IB, being Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO, and its related and associated companies ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the roles set out in this Prospectus. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders and/or our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other, and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the Maybank Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at the LPD, Malayan Banking Berhad has extended credit facilities to our Group amounting to RM200.0 million in its ordinary course of business. It is expected that our Group will repay the borrowings owing to Malayan Banking Berhad using the proceeds raised from our Public Issue. The credit facilities were granted on the conditions, that among others, we provide an undertaking to submit an application for the Listing within 12 months from the first drawdown and for us to use all reasonable efforts to carry out the Listing within 24 months from the first drawdown.

Maybank IB is of the view that the abovementioned do not give rise to a conflict of interest situation in its capacity as Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO due to the following:

(i) Malayan Banking Berhad is a licensed commercial bank and the extension of credit facilities to our Group arose in its ordinary course of business;

(ii) the conduct of Malayan Banking Berhad in its banking business is strictly regulated by, among others, the Financial Services Act, 2013, Islamic Financial Services Act, 2013 and its own internal controls and checks; and

(iii) the total aggregate outstanding amount owed by our Group to Malayan Banking Berhad of about RM169.8 million as at the LPD is not material when compared to its audited NA as at 31 December 2019 of RM70.1 billion.

Maybank IB confirms that there is no conflict of interest situation in its capacity as Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO.

11.2.3 Declaration by Credit Suisse

Credit Suisse, together with its affiliates, branches and subsidiaries (together, the "**Credit Suisse Group**"), comprise a full service financial services provider engaged in securities trading, brokerage activities as well as investment banking and financial advisory services. In the ordinary course of trading and brokerage activities, members of the Credit Suisse Group may hold positions for its own account or the accounts of its customers, in equity, debt or other securities of members of our Group.

The Credit Suisse Group may engage in transactions with, and perform services for our Group in the ordinary course of business and has engaged, and may in the future engage, in commercial banking and investment banking transactions, including providing loans or entering into other financing arrangements, with our Group, for which the Credit Suisse Group has received, or may in the future receive, customary compensation.

Having regard to the foregoing, Credit Suisse confirms that there is no conflict of interest in its capacity as the Joint Global Coordinator and Joint Bookrunner in relation to our IPO as the Credit Suisse Group has not made any loan to our Company (to the knowledge of Credit Suisse) and Credit Suisse will not receive any proceeds from our IPO, except with respect to the fees payable to, and expenses incurred by Credit Suisse in connection with its role as the Joint Global Coordinator and Joint Bookrunner in relation to our IPO.

11.2.4 Declaration by RHB IB

RHB IB and its related and associated companies ("**RHB Banking Group**") form a diversified financial group and engage in private banking, commercial banking and investment banking transactions which include, among others, brokerage, securities trading, assets and fund management as well as credit transaction services. The RHB Banking Group has engaged and may in the future engage in transactions with and perform services for our Group, in addition to the roles set out in this Prospectus. In addition, any member of the RHB Banking Group may at any time, in the ordinary course of business, offer to provide its services or to engage in any transaction (on its own account or otherwise) with any member of our Group, our shareholders, our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of any member of our Group and/or its affiliates. This is a result of the businesses of the RHB Banking Group generally acting independently of each other and accordingly, there may be situations where parts of the RHB Banking Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of our Group. The related companies of RHB IB may also bid for our Shares to be offered under the Institutional Offering.

As at the LPD, RHB Bank Berhad has subsisting term loan and revolving credit with a combined limit of RM200 million with our Group. The extension of the said facilities is in the ordinary course of business of the RHB Bank Berhad. It is expected that some of the borrowings owing to RHB Bank Berhad will be repaid with the proceeds raised from our Public Issue. The credit facilities were granted on the conditions, that among others, we provide an undertaking to submit an application for the Listing within 12 months from the first drawdown and for us to use all reasonable efforts to carry out the Listing within 24 months from the first drawdown.

Notwithstanding the above, RHB IB is of the view that the abovementioned do not give rise to a conflict of interest situation in its capacity as the Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO due to the following:

(i) RHB IB is a licensed investment bank and its appointment as the Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO is in the ordinary course of its business and RHB IB does not receive or derive any financial interest or benefits save for the professional fees received in relation to its appointment as the Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO;

(ii) the credit facilities were provided by RHB Bank Berhad on an arm's length basis and in its ordinary course of business and are not conditional upon RHB IB being appointed as Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO or upon any other proposal(s) being undertaken by any entity(ies) within the RHB Banking Group;

(iii) the team in-charge of the IPO in RHB Banking Group is independent from the team handling the credit facilities;

(iv) the conduct of RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, the CMSA and RHB Banking Group's own internal controls and checks which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees; and

(v) the total outstanding amount owed by our Group to RHB Bank Berhad of approximately RM169.8 million as at the LPD is not material when compared to the audited NA of RHB Banking Group as at 31 December 2019 of RM25.8 billion.

Save as disclosed above, RHB IB confirms that it is not aware of any circumstance that exists or is likely to exist to give rise to a conflict of interest situation in its capacity as the Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for our IPO.

11.2.5 Declaration by J.P. Morgan

J.P. Morgan and/or its subsidiaries, branches, affiliates and associates (the **"J.P. Morgan Group"**), in its capacity as principal or agent, is and may in the future, be involved in a wide range of commercial banking and investment banking activities globally (including investment advisory, asset management, wealth management, research, securities issuance, trading (customer and proprietary) and brokerage) from which conflicting interests or duties may arise. The J.P. Morgan Group has engaged, and may in the future engage, in transactions with, and has performed, and may in the future perform, services for members of our Group, in addition to the role set out in this Prospectus.

In addition, in the ordinary course of its global investment banking and commercial banking activities, J.P. Morgan and other members of the J.P. Morgan Group may at any time offer or provide services to or engage in any transaction (on its own account or otherwise) with members of our Group and/or any other persons, or hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of its customers, in debt or equity securities (or related derivative instruments) or senior loans of members of our Group.

J.P. Morgan confirms that notwithstanding the above, they do not have a conflict of interest which prevents it from acting in its capacity as the Joint Global Coordinator and Joint Bookrunner for our IPO.

11.2.6 Declaration by UBS

UBS Group AG, UBS and/or their respective subsidiaries, branches, affiliates and associates (collectively, the "**UBS Group**"), in its capacity as principal or agent, is and may in the future, be involved in a wide range of commercial banking and investment banking activities globally (including investment advisory, asset management, wealth management, research, securities issuance, trading (customer and proprietary) and brokerage) from which conflicting interests or duties may arise. The UBS Group has engaged, and may in the future engage, in transactions with, and has performed, and may in the future perform, services for our Group, in addition to the role(s) set out in this Prospectus.

In addition, in the ordinary course of its global investment banking and commercial banking activities, UBS AG and other members of the UBS Group may at any time offer or provide services to or engage in any transaction (on its own account or otherwise) with members of our Group and/or any other persons, or hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of its customers, in debt or equity securities (or related derivative instruments) or senior loans of members of our Group.

UBS confirms that notwithstanding the above, it does not have a conflict of interest which prevents it from acting in its capacity as the Joint Bookrunner in relation to our IPO.

11.2.7 Declaration by AmIB

AmIB, is a wholly-owned subsidiary of AMMB Holdings Berhad ("**AMMB**"). AMMB, its subsidiaries and associated companies ("**AmBank Group**") form a diversified financial group and are engaged in a wide range of businesses relating to amongst others, retail banking, investment banking, commercial banking, brokerage, securities trading, asset and funds management and credit transaction services. AmBank Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates.

In addition, in the ordinary course of business, any member of the AmBank Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Company and/or our affiliates, and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Company and/or our affiliates. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of our Group.

AmInvestment Bank is of the opinion that its role as the Joint Underwriter for our Public Issue does not give rise to a conflict of interest situation.

11.2.8 Declaration by HLIB

HLIB and its related and associated companies, as well as its holding company Hong Leong Financial Group Berhad and the subsidiaries and associated companies of its holding company (collectively "**Hong Leong Group**") form a diverse range of industries and businesses including banking and financial services, manufacturing and distribution, property development and investments, hospitality and leisure, and principal investments amongst others.

In addition, in the ordinary course of business, any member of the Hong Leong Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Company and/or our affiliates, and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Company and/or our affiliates. This is a result of the businesses of the Hong Leong Group generally acting independently of each other, and accordingly there may be situations where parts of the Hong Leong Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of our Group.

HLIB is of the opinion that its role as the Joint Underwriter for our Public Issue does not give rise to a conflict of interest situation.

11.2.9 Declaration by Kenanga IB

Kenanga IB and its related and associated companies ("**Kenanga Group**") form a diversified financial group and are engaged in a wide range of businesses relating to amongst others, investment banking, brokerage, securities trading, asset and funds management and credit transaction services. The Kenanga Group has engaged and/or may in the future, engage in transactions with and perform services for our Company and/or our affiliates.

In addition, in the ordinary course of business, any member of the Kenanga Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Company and/or its affiliates, and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Company and/or our affiliates. This is a result of the businesses of the Kenanga Group generally acting independently of each other, and accordingly there may be situations where parts of the Kenanga Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of our Group.

Kenanga IB is of the opinion that its role as the Joint Underwriter for our Public Issue does not give rise to a conflict of interest situation.

11.2.10 Declaration by BDO PLT

BDO PLT confirms that there is no conflict of interest in its capacity as the Auditors and Reporting Accountants to our Company in relation to our IPO.

11.2.11 Declaration by Albar & Partners

Albar & Partners confirms that there is no conflict of interest in its capacity as the legal adviser to our Company as to Malaysian law in relation to our IPO.

11.2.12 Declaration by Latham & Watkins LLP

Latham & Watkins LLP confirms that there is no conflict of interest in its capacity as the legal adviser to our Company as to United States federal securities law and English law in relation to our IPO.

11.2.13 Declaration by Adnan Sundra & Low

Adnan Sundra & Low confirms that there is no conflict of interest in its capacity as the legal adviser to the Joint Global Coordinators, Joint Bookrunners, Joint Managing Underwriters and Joint Underwriters as to Malaysian law in relation to our IPO.

11.2.14 Declaration by Baker & McKenzie.Wong & Leow

Baker & McKenzie.Wong & Leow confirms that there is no conflict of interest in its capacity as the legal adviser to the Joint Global Coordinators and Joint Bookrunners as to United States federal securities law and English law in relation to our IPO.

11.2.15 Declaration by Frost & Sullivan

Frost & Sullivan confirms that there is no conflict of interest in its capacity as the IMR in relation to our IPO.

12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

The historical financial information for FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2019 and 2020 presented below have been derived from the consolidated financial statements contained in the Accountants' Report included in Section 13 of this Prospectus (the "**Consolidated Financial Statements**"). Our Consolidated Financial Statements are prepared in accordance with MFRS and IFRS. The historical interim financial information for FPE 30 June 2019 and 2020 are not necessarily indicative of the results to be expected for any corresponding full year or any other interim period. The unaudited monthly revenue for the months in FPE 30 June 2020 presented in Section 12.2.1 below is derived from our unaudited consolidated management accounts, which have not been reviewed, confirmed or audited by our Auditors or Reporting Accountants, and the results presented by such unaudited financial information therefore remain subject to change and may differ from our actual results had such financial information been audited or reviewed.

The following historical financial information should be read in conjunction with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" set out in Section 12.2 of this Prospectus together with the Accountants' Report set out in Section 13 of this Prospectus.

Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income

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

	FYE 31 December			FPE 30 June	
	Audited			Unaudited	Audited
	2017	2018	2019	2019	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,229,216	1,771,058	2,275,587	1,096,730	1,050,749
Cost of sales	(687,210)	(997,227)	(1,311,894)	(633,421)	(602,707)
GP	**542,006**	**773,831**	**963,693**	**463,309**	**448,042**
Other operating income	2,471	3,819	10,261	6,843	8,145
Administrative expenses	(37,066)	(58,707)	(70,455)	(39,286)	(40,464)
Other operating expenses	(207,195)	(291,562)	(402,867)	(188,623)	(221,090)
Profit from operations	**300,216**	**427,381**	**500,632**	**242,243**	**194,633**
Finance costs	(21,009)	(30,126)	(64,606)	(28,495)	(36,040)
Share of profit of an associate	675	1,206	1,707	630	1,114
PBT	**279,882**	**398,461**	**437,733**	**214,378**	**159,707**
Income tax expense	(69,874)	(90,128)	(120,165)	(59,944)	(44,264)
Net profit for the financial year/period, attributable to the owners of the Company[(1)]	**210,008**	**308,333**	**317,568**	**154,434**	**115,443**
Other comprehensive income, net of tax	9	33	17	41	104
Total comprehensive income	**210,017**	**308,366**	**317,585**	**154,475**	**115,547**
Other selected financial data					
Depreciation and amortisation	(72,353)	(104,400)	(138,803)	(65,142)	(81,151)
EBITDA[(2)]	371,436	530,292	636,315	305,408	274,286
Adjusted EBITDA[(3)]	309,814	440,925	516,715	248,805	205,502
GP margin[(4)] (%)	44.1	43.7	42.3	42.2	42.6
EBITDA margin[(5)] (%)	30.2	29.9	28.0	27.8	26.1
Adjusted EBITDA margin[(6)] (%)	25.2	24.9	22.7	22.7	19.6
PBT margin[(7)] (%)	22.8	22.5	19.2	19.5	15.2
PAT margin[(8)] (%)	17.1	17.4	14.0	14.1	11.0
Basic and diluted EPS[(9)] (sen)	3.45	5.06	5.22	2.54	1.90

Notes:

(1) All of our net profit for the financial year/period is attributable to the owners of our Company as we do not have any non-controlling interest.

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

(3) Adjusted EBITDA is EBITDA less payments of lease liabilities and other MFRS 16 Leases adjustments (reassessments and modifications of leases, rent concessions and provision for restoration costs).

(4) Computed based on GP divided by revenue.

(5) Computed based on EBITDA divided by revenue.

(6) Computed based on Adjusted EBITDA divided by revenue.

(7) Computed based on PBT divided by revenue.

(8) Computed based on net profit for the relevant financial year/period divided by revenue.

(9) Computed based on net profit for the relevant financial year/period attributable to owners of our Company divided by the weighted average number of Shares outstanding (after the completion of the Pre-IPO Exercise) of 6,088,200,000.

The following table reconciles our net profit for the financial year/period to EBITDA and Adjusted EBITDA for the years/periods indicated:

	FYE 31 December			**FPE 30 June**	
	Audited			**Unaudited**	**Audited**
	2017	**2018**	**2019**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Net profit for the financial year/period	**210,008**	**308,333**	**317,568**	**154,434**	**115,443**
Add/(Less):					
Income tax expense	69,874	90,128	120,165	59,944	44,264
Finance costs	21,009	30,126	64,606	28,495	36,040
Amortisation of intangible assets	493	639	917	387	537
Depreciation of property, plant and equipment	20,288	31,012	41,685	19,524	24,264
Depreciation of right-of-use assets	51,572	72,749	96,201	45,231	56,350
Share of profit of an associate	(675)	(1,206)	(1,707)	(630)	(1,114)
Interest income	(1,133)	(1,489)	(3,120)	(1,977)	(1,498)
EBITDA	**371,436**	**530,292**	**636,315**	**305,408**	**274,286**
(Less):					
Payments of lease liabilities	(61,490)	(88,828)	(115,753)	(54,230)	(64,816)
Other MFRS 16 Leases adjustments (reassessments and modifications of leases, rent concessions and provision for restoration costs)	(132)	(539)	(3,847)	(2,373)	(3,968)
Adjusted EBITDA	**309,814**	**440,925**	**516,715**	**248,805**	**205,502**

We had early adopted MFRS 16 Leases in FYE 31 December 2018 and accordingly, the comparative financial information for FYE 31 December 2017 have been restated to give effect to the adoption of MFRS 16 Leases.

Under MFRS 16 Leases, our net profit for the financial year/period includes interest expense on the lease liabilities under finance costs, depreciation of right-of-use assets and other MFRS 16 Leases adjustments (such as reassessments and modifications of leases, rent concessions and provision for restoration costs).

EBITDA is calculated as our net profit for the financial year/period plus (i) income tax expense, (ii) finance costs, (iii) depreciation of property, plant and equipment, (iv) depreciation of right-of-use assets and (v) amortisation of intangible assets, less (vi) share of profit of an associate and (vii) interest income.

Adjusted EBITDA for the financial year/period is presented to give effect to our earnings before interest, taxation, depreciation and amortisation before the application of MFRS 16 Leases and is calculated as our EBITDA less payments of lease liabilities and other MFRS 16 Leases adjustments such as reassessments and modifications of leases, rent concessions and provision for restoration costs. Adjusted EBITDA is presented in this Prospectus because we believe that some investors regard it as a useful metric for assessing our financial performance, including when comparing our financial performance against other companies who report an equivalent metric before the application of MFRS 16 Leases.

EBITDA, Adjusted EBITDA and the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity that are not required by or presented in accordance with IFRS and MFRS. Furthermore, EBITDA and Adjusted EBITDA are not measures of our financial performance or liquidity under IFRS and MFRS and should not be considered as an alternative to net profit, operating profit or any other performance measures derived in accordance with IFRS or MFRS or as an alternative to cash flows from operating activities or as a measure of liquidity. In addition, EBITDA and Adjusted EBITDA are not standardised terms, and hence, direct comparisons of EBITDA and Adjusted EBITDA between companies may not be possible. Other companies may calculate EBITDA and Adjusted EBITDA differently from us, limiting its usefulness as a comparative measure.

Selected Historical Consolidated Statements of Financial Position

The following table sets out a summary of our consolidated statements of financial position as at the dates indicated:

	As at 31 December			As at 30 June
	Audited			Audited
	2017	2018	2019	2020
	RM'000	RM'000	RM'000	RM'000
Total non-current assets	563,490	816,474	1,064,851	1,132,804
Total current assets	402,092	567,142	759,119	898,530
Total assets	**965,582**	**1,383,616**	**1,823,970**	**2,031,334**
Total non-current liabilities	380,345	542,068	1,260,787	726,852
Total current liabilities	236,005	316,986	222,709	848,461
Total liabilities	**616,350**	**859,054**	**1,483,496**	**1,575,313**
Net assets	**349,232**	**524,562**	**340,474**	**456,021**
Net current assets	166,087	250,156	536,410	50,069
Share capital	1,970	1,970	1,970	1,970
Merger reserve	(117,450)	(117,450)	(117,450)	(117,450)
Foreign currency translation reserve	9	42	59	163
Retained earnings	464,703	640,000	455,895	571,338
Total equity	**349,232**	**524,562**	**340,474**	**456,021**
Total borrowings	31,057	92,015	623,355	608,852
Net (cash)/borrowings[(1)]	(58,364)	25,362	482,684	336,386
Gearing ratio[(2)] (times)	0.09	0.18	1.83	1.34
Net gearing ratio[(3)] (times)	*N/A	0.05	1.42	0.74

Notes:

(1) Computed based on total borrowings less cash and bank balances as at the end of the year/period.

(2) Computed based on total borrowings divided by total equity as at the end of the year/period.

(3) Computed based on net borrowings (total borrowings less cash and bank balances) divided by total equity as at the end of the year/period.

* Net gearing ratio is not applicable as our Group was in a net cash position.

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is based on our consolidated financial information for FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2019 and 2020, which have been extracted from the Accountants' Report as set out in Section 13 of this Prospectus.

12.2.1 Overview

Business Overview

We are the largest home improvement retailer in Malaysia, with an estimated market share of 29.1% in 2019 based on our revenue for FYE 31 December 2019. The first "MR. D.I.Y." store opened in 2005, and as at the LPD, we operate 670 stores across Malaysia and four stores in Brunei. Our network of stores in Malaysia is extensive, with a presence in every state and Federal Territory in Malaysia. In FYE 31 December 2019 and FPE 30 June 2020, we recorded approximately 8.4 million and 6.8 million transactions per month on average at our stores, respectively. In recognition of the strength of the "MR. D.I.Y." brand name among consumers in Malaysia, we received the "*Brand Leadership in Retail – Home Improvement 2018 – 2019*" award from the BrandLaureate in 2019 and the "*Winner in Retail – Home Improvement Category (National Tier)*" award in the World Branding Awards in 2018 and 2019.

The home improvement retail sector in Malaysia grew at a CAGR of 12.4% from 2014 to 2019 in terms of retail sales value and is expected to continue to grow at a CAGR of 10.2% until 2024. As the leader in the home improvement retail sector, we are well positioned to capitalise on this expected growth. For further details, see Section 8 of this Prospectus.

We operate and manage all of our stores directly. We typically locate our stores in convenient locations that are easily accessible to our customers such as alongside busy roads, in shopping malls, business parks and shopping districts. Our stores typically operate seven days a week to maximise convenience for our customers. In FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020, we opened 110, 113, 126 and 47 new stores (net of store closures), respectively, and from 1 July 2020 up to the LPD, we opened 34 new stores (net of store closures). We intend to continue to open new stores across Malaysia, with a target of at least 30 "MR. D.I.Y." stores, eight "MR. TOY" stores and eight "MR. DOLLAR" stores from LPD until the end of 2020, totalling at least 132 new stores in 2020, and approximately 175 additional stores in 2021, comprising approximately 100 "MR. D.I.Y." stores, approximately 25 "MR. TOY" stores and approximately 50 "MR. DOLLAR" stores. Our extensive network of stores enables us to provide our customers with convenient access to our products and we aim to increase the presence of our stores in Malaysia and Brunei, including in highly populated and underserved areas. Furthermore, the large scale of our operations enables us to leverage on our economies of scale to obtain better supply terms, reduce sales costs per product, and improve our operational efficiency.

Our merchandising strategy is to offer our customers a wide range of products that provide attractive price-to-quality value propositions. Our stores carry an extensive variety of products. The majority of our products consist of hardware, household and furnishing, electrical, stationery and sports equipment products. Our products are selected to appeal to a wide range of consumers and are competitively priced and affordable to mass-market consumers. We seek to maintain a competitive advantage over our competitors and new entrants into our market, and continually review our product mix in order to respond to the changing demands of our customers. As at 30 June 2020, our stores carried approximately 16,600 SKUs on average per store. In FYE 31 December 2019 and FPE 30 June 2020, the average value of a transaction at our stores was RM22.2 and RM25.2, respectively.

Our store operations are supported by centrally managed inventory management and distribution systems, which help us ensure that our stores have sufficient stock to meet our customers' demands. As at the LPD, we operate a distribution centre consisting of a cluster of 11 closely located properties situated in Balakong, Seri Kembangan, Selangor, Malaysia and one property situated in Port Klang, Selangor, Malaysia, from which all of our products are distributed to our stores across Peninsular Malaysia through our fleet of 113 delivery trucks, and to our stores across East Malaysia and Brunei through third party freight service providers. We also use third party freight service providers to distribute our products to certain of our stores in Peninsular Malaysia that are inaccessible to our delivery trucks.

From FYE 31 December 2017 to FYE 31 December 2019, our revenue increased at a CAGR of 36.1% from RM1,229.2 million to RM2,275.6 million, our EBITDA increased at a CAGR of 30.9% from RM371.4 million to RM636.3 million, our gross profit increased at a CAGR of 33.3% from RM542.0 million to RM963.7 million and our net profit for the financial year increased at a CAGR of 23.0% from RM210.0 million to RM317.6 million.

From FPE 30 June 2019 to FPE 30 June 2020, our revenue decreased by 4.2% from RM1,096.7 million to RM1,050.7 million, our EBITDA decreased by 10.2% from RM305.4 million to RM274.3 million, our gross profit decreased by 3.3% from RM463.3 million to RM448.0 million and our net profit for the financial period decreased by 25.2% from RM154.4 million to RM115.4 million. The general decline in our financial performance for FPE 30 June 2020 compared to FPE 30 June 2019 was primarily due to the temporary closure of our stores in Malaysia in FPE 30 June 2020 following the implementation of the MCO, as described below.

In FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020 and from 1 July 2020 to the LPD, our stores processed approximately 58.3 million, 80.9 million, 101.3 million, 40.7 million and 20.4 million transactions, respectively.

COVID-19 Pandemic

The COVID-19 pandemic has impacted economic activity and financial markets in countries across the world, including Malaysia where substantially all of our operations are based. In response to an increase in the COVID-19 infection rate in Malaysia, the Government implemented the MCO, which took effect from 18 March 2020 and imposed various restrictions on the conduct of activities in Malaysia. During the initial phase of the MCO, which continued until 3 May 2020, such restrictions included (i) a general prohibition on the movement and gathering of people within Malaysia, (ii) a prohibition on the entry into Malaysia by non-Malaysian persons, (iii) restrictions on persons traveling out of Malaysia and (iv) a requirement that all private and public commercial premises be closed unless such premises operate to provide what were deemed to be an "essential service" under the MCO. On 4 May 2020, the Government implemented the CMCO, which involved the relaxing or lifting of various restrictions implemented under the MCO. During the CMCO period, which continued until 9 June 2020, certain restrictions on the movement of persons, including interstate travel, were relaxed, limited gatherings of persons in small groups were permitted and various public and private commercial premises were permitted to operate, subject to compliance with health and safety measures. On 10 June 2020, the Government implemented the RMCO, which further relaxed various restrictions on the movement and gathering of persons, interstate and international travel and the conduct of public and private commercial activity. The Government has announced that the RMCO will remain in effect until 31 December 2020.

In Malaysia, following the implementation of the MCO, we were required to temporarily close all of our stores by 22 March 2020. The following table sets out the number of our stores which were temporarily closed as at the dates indicated.

	As at			
	31 March 2020	**30 April 2020**	**31 May 2020**	**30 June 2020**
Total number of stores	628	628	631	640[(1)]
Number of stores temporarily closed due to the restrictions imposed under the MCO, CMCO and RMCO	623[(2)]	395	0	0

Notes:

(1) Does not include one store in Malaysia that operated up to 29 June 2020 and was permanently closed on 30 June 2020.

(2) The difference in the five stores was due to our four stores in Brunei that remained open and one store in Malaysia that was temporarily closed due to the temporary closure of a mall in which the store was located.

As a result of the mandatory temporary store closures under the MCO, our revenue for the months of March and April 2020 declined to RM118.0 million and RM51.0 million, respectively (based on our unaudited consolidated management accounts for the months of March and April 2020), which was substantially lower than our average monthly revenue of RM189.6 million in FYE 31 December 2019. In accordance with approvals from the relevant local authority which we received in April 2020, we began reopening some of our stores. However, our stores which were permitted to open were only permitted to operate for a limited number of hours each day and/or a limited number of days per week, in accordance with approvals from the relevant local authorities. With the implementation of the CMCO, we were permitted to reopen our stores in Malaysia in accordance with the rules of the CMCO and by 31 May 2020, none of our stores in Malaysia were closed due to the restrictions under the MCO. Following the implementation of the RMCO, certain of the prohibitions and restrictions imposed under the CMCO have been relaxed and/or lifted, allowing us to resume normal operating hours and days of our stores. With the reopening of our stores, our revenue for the months of May and June 2020 increased to RM233.5 million and RM232.1 million, respectively, compared to our revenue in April 2020 of RM51.0 million and our average monthly revenue of RM189.6 million in FYE 31 December 2019. The foregoing financial data is based on our unaudited consolidated management accounts for the months of April, May and June 2020. However, should the COVID-19 pandemic persist or worsen in Malaysia, or if the RMCO restrictions are extended or enhanced, we may not be able to sustain these revenue levels or we may again see a decline in revenues. The following table sets out our revenue for the months indicated in FPE 30 June 2020 based on our unaudited consolidated management accounts.

	FPE 30 June 2020						
	Unaudited						**Audited**
	January	**February**	**March**	**April**	**May**	**June**	**Total**
	RM'mil	**RM'mil**	**RM'mil**	**RM'mil**	**RM'mil**	**RM'mil**	**RM'mil**
Revenue	226.4	189.7	118.0	51.0	233.5	232.1	1,050.7

The financial information for the months in FPE 30 June 2020 presented above is derived from our unaudited consolidated management accounts, which have not been reviewed, confirmed or audited by our auditors or reporting accountants, and our results presented by such unaudited financial information therefore remain subject to change and may differ from our actual results had such financial information been audited or reviewed.

As at the LPD, the COVID-19 pandemic has not resulted in any material disruptions to our operations in Brunei and we have not been required to temporarily cease the operations of any of our stores in Brunei as a result of the COVID-19 pandemic. Our revenue from our stores in Brunei increased from RM10.1 million in FPE 30 June 2019 to RM10.8 million in FPE 30 June 2020.

We have implemented a number of measures to protect the health and safety of our employees and customers. See Section 7.23 of this Prospectus for details of such measures we have implemented in response to the COVID-19 pandemic. The implementation of these measures have not resulted in a material increase in our operating expenses.

Most of our products are sourced from end suppliers in China. Notwithstanding certain delays in imports of merchandise from China in February and March 2020 when China was implementing measures to contain the spread of COVID-19, the implementation of the MCO and the onset of the COVID-19 pandemic across Asia, we have not experienced any material disruptions or delays in our supply chain and distribution operations, nor have we experienced any material increases in our supply chain and logistics costs since 1 January 2020 up to the LPD.

The full impact of the COVID-19 pandemic on our business, financial condition, results of operations and prospects will depend on a number of factors beyond our control and which are difficult to ascertain with certainty, such as the length of time that the COVID-19 pandemic and the MCO will persist, as well as any future developments or restrictions as a result of the pandemic, and the nature and effectiveness of governmental and public actions taken in response to COVID-19.

12.2.2 Significant factors affecting our financial condition and results of operations

Our financial condition and results of operations have been, and are expected to be, affected by a number of factors, including those set out below.

Average transaction value and number of transactions

We generate almost all of our revenue from sales of products at our stores. The average transaction value of each sales transaction made by our customers and the total number of sales transactions at our stores are the primary drivers for our overall financial performance and have a direct impact on our revenue, financial position and the SSSG of our stores.

A store can increase revenue from (i) an increase in the average value of each transaction at the store; and/or (ii) an increase in the number of transactions at the store. The average value of a transaction varies across our stores depending on the product mix and prices of products offered at the store and our ability to anticipate and respond effectively to consumer preference, consumer buying patterns and economic trends. We continually review our product mix and pricing in order to respond to the changing preferences of our customers and to maintain a competitive advantage over our competitors or new entrants into our market. The number of transactions at a store depends primarily on the level of footfall near the store's location, our ability to provide a range of product offerings that generates new and repeat visits to our stores, and the customer experience and standard of service we provide in our stores.

The following table sets out the average value of each transaction at our stores, the average sales per store per day, the average number of transactions per month and the average number of transactions per store per day for the years/periods indicated:

	FYE 31 December			FPE 30 June	
	2017	**2018**	**2019**	**2019**	**2020**
Average value of each transaction (RM)$^{(1)(2)}$	21.0	21.8	22.2	22.6	25.2
Average sales per store per day (RM)$^{(1)(3)}$	11,341	11,731	11,463	12,113	11,667
Average number of transactions per month ('000)$^{(4)}$	4,860.9	6,744.1	8,442.6	8,031.2	6,786.4
Average number of transactions per store per day$^{(5)}$	537	541	513	535	460

Notes:

(1) The average value of each transaction and the average sales per store per day excludes GST (a multi-stage tax paid by consumers as well as suppliers) (where applicable).

(2) Calculated as the revenue generated by our stores during the financial year/period divided by the number of transactions at our stores during the financial year/period.

(3) Calculated as the aggregate of our stores' sales per day during the financial year/period divided by the number of stores operating at any time during the financial year/period. Our stores' sales per day during the financial year/period is calculated by aggregating the result of dividing the sales generated by each store during the financial year/period with the number of operating days for each such respective store during the financial year/period.

(4) Calculated as the number of transactions at our stores during the financial year or period divided by 12 and six, respectively.

(5) Calculated as the aggregate of our stores' number of transactions per day during the financial year/period divided by the number of stores operating at any time during the financial year/period. Our stores' number of transactions per day during the financial year/period is calculated by aggregating the result of dividing the number of transactions generated by each store during the financial year/period with the number of operating days for each such respective store during the financial year/period.

SSSG is a measure of the growth in revenue generated by our stores during a period compared to the revenue generated by those same stores during the corresponding period of the same duration in the immediately preceding year. The following table sets out the SSSG of our stores for the years/periods indicated:

	FYE 31 December			FPE 30 June	
	2017	**2018**	**2019**	**2019**	**2020**
SSSG[(1)(2)]	6.5%	4.5%	1.8%	7.2%	(24.6)%
Adjusted SSSG[(3)]	N/A	N/A	N/A	N/A	(0.1)%
Number of stores included in the calculation of SSSG	163	219	331	330	449
Average number of stores during the financial year/period[(4)]	299	410	530	495	616

Notes:

(1) The SSSG of our stores for a period (e.g. 12 months) is calculated by dividing (a) the revenue generated by our stores during that period after deducting the revenue generated by those same stores during the corresponding period of the same duration in the immediately preceding year, by (b) the revenue generated by those same stores during the period of the same duration in the immediately preceding year. SSSG for a six-month period can therefore only be calculated for our stores which have been in operation for the full six months for the relevant period as well as the same corresponding period in the prior year and SSSG for a 12-month period can therefore only be calculated for our stores which have been in operation for a minimum of 24 months.

(2) SSSG excludes sales generated by our stores which were closed temporarily and later re-opened. For further details, see Section 7.4.1 of this Prospectus.

(3) In FPE 30 June 2020, a number of our stores in Malaysia were required to be temporarily closed as a result of the implementation of the MCO from 18 March 2020 to 3 May 2020. For further details on the implementation of the MCO, see Sections 7.25 and 12.2.1 of this Prospectus. We present the Adjusted SSSG of our stores in FPE June 2020 in order to reflect the sales performance of our stores in FPE June 2020, excluding the period of 18 March 2020 to 3 May 2020 (both dates inclusive) during which the MCO was in force. To calculate the Adjusted SSSG of our stores in FPE 30 June 2020, we exclude any sales generated by our stores for the periods of 18 March to 3 May (both dates inclusive) in FPE 30 June 2019 and FPE 30 June 2020.

(4) Calculated based on the simple average of the number of stores at the beginning of the financial year/period and at the end of the financial year/period. At the beginning of FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2019 and 2020, we had 244, 354, 467, 467 and 593 stores respectively. At the end of FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2019 and 2020, we had 354, 467, 593, 523 and 640 stores, respectively. See Section 7.4.1 of this Prospectus for further details on the net change in the number of our stores during FYE 31 December 2017 to 31 December 2019 and FPE 30 June 2020.

SSSG of our stores was 6.5% in FYE 31 December 2017 primarily due to (a) a general recovery in economic conditions and consumer demand in Malaysia in 2017 compared to a general slowdown in economic conditions and consumer demand in Malaysia in 2016; (b) an increase in the number of transactions at the stores and a higher average value per transaction in FYE 31 December 2017 compared to FYE 31 December 2016; and (c) the effect of the increase in our product prices due to the cessation of our programme of absorbing GST costs in 2016.

SSSG of our stores remained positive in FYE 31 December 2018 as a result of a continued general recovery in economic conditions and consumer demand in Malaysia in 2018, but reduced to 4.5%, due to (a) a more gradual general recovery in economic conditions and consumer demand in Malaysia in 2018 compared to 2017; and (b) a lower increase in the number of transactions at our stores compared to FYE 31 December 2017.

SSSG of our stores remained positive for FYE 31 December 2019 but at a reduced rate of 1.8% compared to FYE 31 December 2018. The positive SSSG in FYE 31 December 2019 was due to a higher average value per transaction and a higher number of transactions at our stores compared to FYE 31 December 2018 which was partially offset by a general slowdown in consumer demand in Malaysia compared to the previous financial year and in part by our cessation of sales of certain products which we believe did not comply with applicable certification standards during the second half of 2019 (for further details, see Section 5.1.1(b) of this Prospectus).

SSSG of our stores in FPE 30 June 2020 was negative 24.6% primarily due to the temporary closure of a number of our stores in Malaysia in FPE 30 June 2020 following the implementation of the MCO. Our Adjusted SSSG in FPE 30 June 2020 was negative 0.1% primarily due to the continuation from 2019 of a general slowdown in consumer demand in Malaysia in FPE 30 June 2020.

Improving our SSSG allows us to increase our revenue while maintaining a relatively steady fixed cost base, such as employee benefits expenses, rental expenses and store utilities expenses, thereby increasing our operating margins.

Expansion of our store network

The number of stores that we operate directly affects our sales, costs and profitability. The following table sets out a breakdown of our store network as at 31 December 2017, 2018 and 2019 and 30 June 2019 and 2020 and our revenue generated from our stores in FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2019 and 2020 by region in Malaysia and in Brunei.

	No. of stores				
	As at 31 December			**As at 30 June**	
Region	**2017**	**2018**	**2019**	**2019**	**2020**
Peninsular Malaysia					
Central[(1)]	101	140	184	158	202
East Coast[(2)]	65	81	99	90	105
North[(3)]	59	77	97	86	105
South[(4)]	68	96	123	106	129
East Malaysia[(5)]	58	69	86	79	95
Sub-total	**351**	**463**	**589**	**519**	**636**
Brunei	3	4	4	4	4
Total	**354**	**467**	**593**	**523**	**640**

Region	Revenue from stores[6] FYE 31 December 2017 (RM'mil)	2018 (RM'mil)	2019 (RM'mil)	FPE 30 June 2019 (RM'mil)	2020 (RM'mil)
Peninsular Malaysia					
Central[1]	374.7	532.2	718.4	339.1	338.2
East Coast[2]	165.9	242.6	293.7	141.4	130.3
North[3]	192.4	284.7	352.1	170.1	167.7
South[4]	272.0	375.4	483.2	237.2	214.7
East Malaysia[5]	206.1	312.2	385.1	189.8	163.0
Sub-total	**1,211.1**	**1,747.1**	**2,232.5**	**1,077.6**	**1,013.9**
Brunei	16.6	19.1	20.0	10.1	10.8
Total revenue generated by stores	**1,227.7**	**1,766.2**	**2,252.5**	**1,087.7**	**1,024.7**

Notes:

(1) Consists of the state of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya.

(2) Consists of the states of Kelantan, Terengganu and Pahang.

(3) Consists of the states of Perlis, Kedah, Pulau Pinang and Perak.

(4) Consists of the states of Johor, Melaka and Negeri Sembilan.

(5) Consists of the states of Sabah and Sarawak, and the Federal Territory of Labuan.

(6) Excludes revenue from our e-commerce website and the sale of our products on third party e-commerce retail platforms, revenue from trading of our products which form part of our total revenue and, in relation to FPE 30 June 2020, ad hoc bulk sales to corporate third parties.

Our continued ability to increase our revenue through the growth of our store network depends primarily on our ability to identify and secure locations with good prospects for success, such as locations in areas with high customer traffic and which are easily accessible. As part of our strategy to capture the growth opportunities in Malaysia's underpenetrated home improvement retail sector, we plan to continue to expand our store network across Malaysia. In FPE 30 June 2020 and from 1 July 2020 up to the LPD, we have already opened 47 and 34 new stores (net of store closures), respectively. We intend to continue to open new stores across Malaysia, with a target of at least 100 "MR. D.I.Y." stores, 22 "MR. TOY" stores and ten "MR. DOLLAR" stores in 2020, and approximately 175 additional stores in 2021, comprising approximately 100 "MR. D.I.Y." stores, approximately 25 "MR. TOY" stores and approximately 50 "MR. DOLLAR" stores. From LPD until the end of 2020, we intend to open at least 30 "MR. D.I.Y." stores, eight "MR. TOY" stores and eight "MR. DOLLAR" stores.

As we grow our store network, many of our operating expenses and cost of sales, such as our cost of inventory, employee benefits expenses, rental expenses, store utilities expenses and insurance expenses, will also increase. At the same time, operating a large network of stores allows us to leverage on economies of scale to improve our margins. Our large scale of operations enables us to improve our bargaining position when negotiating with our counterparties in order to secure more favourable terms from them.

Product offering range and pricing

Our stores carry a variety of product categories, the majority of which consist of hardware, household and furnishing, electrical, stationery and sports equipment which drives customer traffic and repeat customers to our stores. Our merchandising strategy is to offer our customers a broad range of products that cater to their household needs at price points which provide attractive price-to-quality value propositions.

Our products are typically competitively priced and affordable to mass-market consumers, which attracts customers and drives our sales. In a survey by Frost & Sullivan comparing a selection of our products against products of the same or similar brand, or similar products, sold by our competitors, our product offerings were generally cheaper than the same or comparable products offered by our competitors in Malaysia. We generally maintain consistent pricing for our products across our stores. However, the prices of certain products may differ between stores primarily as a result of varying logistics and distribution costs of stocking those stores with such products. In FPE 30 June 2020, the average transaction value at our stores was RM25.2.

Effective sourcing and distribution of our products

Our operating results are significantly affected by our ability to source and purchase product inventory in sufficient quantities at competitive prices. Our largest expense is our cost of sales in procuring product inventory. We source our products from over 800 end suppliers, comprising manufacturers and distributors, in China, Malaysia, Thailand and Indonesia to obtain favourable supply terms. A significant increase in the prices at which we purchase goods from our end suppliers will have an adverse effect on our financial performance if we are unable to pass on such increase in prices to our customers. Although we strive to contain our cost increases or pass on such cost increases to our customers in order to maximise our profitability, we may not be able to increase the price of our product offerings by a corresponding amount or at all, in part due to the competitiveness of the markets in which we operate, and in part due to our strategy of offering products at price points which are attractive to and affordable for mass-market consumers. In addition, our sales could be adversely affected in the event that our supply chain does not operate appropriately or is disrupted, including if we are unable to procure and stock sufficient quantities of goods in a manner that is able to match market demand from our customers, or to efficiently distribute product inventory from our distribution centre to our stores.

Employee benefits expenses

We operate a labour-intensive business and consequently our employee benefits expenses affect our results of operations. Our employee benefits expenses include, among others, employees' salaries and other allowances, employees' provident fund contributions and employees' social security contributions, mainly incurred in respect of our employees at our stores. Our employee benefits expenses for our corporate headquarters operations are accounted for under administrative expenses and our employee benefits expenses for our stores and warehousing operations are accounted for under other operating expenses in our consolidated statements of profit or loss and other comprehensive income. For further details of our employee benefits expenses, see Section 12.2.4 of this Prospectus.

The following table sets out the percentage of total employee benefits expenses against our Group's revenue for the years/periods indicated.

	FYE 31 December		
	2017	**2018**	**2019**
	RM'000	**RM'000**	**RM'000**
Total employee benefits expenses	124,862	174,409	227,464
Revenue	1,229,216	1,771,058	2,275,587
Total employee benefits expenses as a percentage of revenue	10.2%	9.8%	10.0%

	FPE 30 June	
	2019	**2020**
	RM'000	**RM'000**
Total employee benefits expenses	109,797	131,392
Revenue	1,096,730	1,050,749
Total employee benefits expenses as a percentage of revenue	10.0%	12.5%

Our employees' salaries are determined by various factors, including the experience, function and the employment seniority of the employee. We pay our employees in accordance with the applicable statutory minimum wage and increases in the applicable minimum wage from time to time will result in increases in our employee benefits expenses in respect of salaries of our employees at our stores and certain of our administrative and headquarters, and warehousing employees. We generally compensate our staff at levels which are competitive in the markets in which we operate. In addition to salaries and incentive-based pay, we also incur ancillary staff costs, such as expenses on the recruitment and training of our employees. As at 31 December 2019, the base salary for our employees in Malaysia was in accordance with the then applicable Malaysian statutory minimum wage of RM1,100 per month, and our employees' compensation increases with their performance, promotion and length of service. As at 31 December 2019, approximately 34.3% of our employees were compensated at the then applicable statutory minimum wage. Commencing from 1 February 2020, the statutory minimum wage rate in 56 cities within Malaysia, as identified by the Government, is RM1,200 per month and the statutory minimum wage rate in other cities within Malaysia continues to be RM1,100 per month. As at 30 June 2020, approximately 46.8% of our employees were compensated at the applicable statutory minimum wage.

Rental expenses

Our business is real-estate intensive and requires us to own or rent the property where our stores are located. Part of our strategy and business model is to operate an "asset light" business with respect to our store network where we seek to minimise our investments in fixed assets or capital intensive assets. As a result, we generally rent most of the properties on which we operate our stores.

We generally enter into leases for our stores for initial terms of three years with options for us to extend for multiple periods of up to three years each. We also typically enter into leases for our offices, distribution centre and warehousing facilities for initial terms of three years with options for us to extend the lease terms, subject to certain conditions. Our lease rental rates may be adjusted depending on prevailing conditions in the property market at the time of renewal of our leases/tenancies and are subject to applicable maximum increases agreed to under each lease/tenancy. As at the LPD, 673 of our stores operate on tenanted properties and one of our stores operates on a property owned by us. We also incur rental costs for our office space, our distribution centre and warehousing facilities. As at the LPD, we lease ten and own two of the properties we use for our offices, distribution centre and warehousing facilities. We also lease four storage units with a combined floor area of approximately 40,000 sq. ft. in close proximity to our distribution centre in Balakong. We use these storage units to store inventory, as well as items and products for our own internal use, such as items and products to conduct quality control inspections on goods.

In accordance with MFRS 16 Leases, we account for rental expenses in respect of our leases for our offices, stores, distribution centre and warehousing facilities (other than short term leases of less than 12 months or leases in respect of low value assets), where we are the lessee, as a right-of-use asset and a lease liability in our consolidated statements of financial position and recognise the interest expense on the lease liability under finance costs and the depreciation expense on the right-of-use asset under other operating expenses in our consolidated statements of profit or loss and other comprehensive income. We account for short term leases of less than 12 months or leases in respect of low value assets as rental expenses.

In FPE 30 June 2020, we also received ad hoc rebates on our rental expenses from our landlords in respect of certain of our stores in connection with the implementation of the MCO.

General economic conditions and consumer spending in Malaysia

The majority of our business is derived from our operations in Malaysia, which accounted for 98.7%, 98.9%, 99.1% and 99.0% of our revenue in FYE 31 December 2017, FYE 31 December 2018, FYE 31 December 2019 and FPE 30 June 2020, respectively. As at the LPD, we operate 674 stores, of which 670 stores are located in Malaysia. As a result, our business depends on, and will continue to depend on, Malaysian consumer spending and the general state of the Malaysian economy. Demand for, and prevailing prices of, our products relate directly to the strength of the Malaysian economy, including overall economic growth levels.

Malaysia's GDP has grown at a CAGR of 4.9% between 2014 and 2019, and is expected to grow at a CAGR of 3.3% between 2019 and 2024. In general, positive conditions in the broader Malaysian economy promote customer spending at our stores, while economic weakness, which generally results in a reduction of customer spending, may have a different or more extreme effect on spending at our stores.

Our costs and expenses and margins are also affected by changes in tax regulations. There have been changes in sales taxes in Malaysia in recent years. Malaysia now levies SST, which is a single-stage tax levied on suppliers and varies between 5% and 10% for goods and 6% for services. The establishment of SST, which replaced the 6% GST previously in force and which was abolished in June 2018, resulted in increases in our costs and lower margins.

12.2.3 Critical accounting estimates and judgments

The preparation of our financial statements in accordance with MFRS and IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities as at the reporting date. We periodically review our estimates and underlying assumptions to ensure they incorporate all financial information available at the date when the financial statements are prepared. However, actual results may differ from these estimates. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of an asset or liability affected in the future.

Judgments made in applying accounting policies

There are no significant judgments made by our management in the process of applying the accounting policies of our Group that have a significant effect on the amounts recognised in the Consolidated Financial Statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years/periods are discussed below. While we believe that there is no significant impact arising from the COVID-19 pandemic and the implementation of the MCO by the Government on the judgments, estimates and assumptions used in the preparation of our financial statements for the FPE 30 June 2020, we continue to assess the impact of the COVID-19 pandemic and the implementation of the MCO on our financial statements for FYE 31 December 2020 and future periods, including in respect of lease modifications, expected credit losses of financial assets, write-down of inventories to net realisable values and impairment assessments of assets (property, plant and equipment, right-of-use assets and investments in subsidiaries and associates).

(i) Determination of the lease term for leases

We determine the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend the lease or to terminate the lease if we are reasonably certain to exercise the relevant options. Management is required to consider the relevant facts and circumstances that create an economic incentive for our Group either to exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amount of lease liabilities of our Group.

(ii) Provision for restoration costs

We estimate provision for restoration costs based on historical costs incurred per sq. ft. of rented area. The estimated provision for restoration costs are reviewed periodically and are updated if expectations differ from previous estimates due to changes in cost factors. Where expectations differ from the original estimates, the differences would impact the carrying amount of provision for restoration costs of our Group.

12.2.4 Results of operations

Principal Components of our Consolidated Statements of Profit or Loss and Other Comprehensive Income

Revenue

We generate almost all of our revenue from sales of products at our stores. We also generate other revenue through sales on various e-commerce platforms, such as our e-commerce website, www.mrdiy.com.my, which we launched in June 2018, and third party e-commerce retail platforms, Shopee and Lazada, since November 2017 and November 2018, respectively. Additionally, we also generate a small portion of our revenue from trading sales of our products to third party businesses, including our related party, and, in FPE 30 June 2020, we also generated a small portion of our revenue from ad hoc bulk sales to corporate third parties. In FYE 31 December 2018 and 2019 and FPE 30 June 2020, revenue from sales on our e-commerce website and third party e-commerce retail platforms was RM2.1 million, RM5.8 million and RM12.2 million, respectively, accounting for 0.1%, 0.3% and 1.2% of our total revenue, respectively, in FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020, revenue from sales to third party businesses, including our related party, was RM1.4 million, RM2.7 million, RM17.4 million and RM9.1 million, respectively, accounting for 0.1%, 0.2%, 0.8% and 0.9% of our total revenue, respectively, and in FPE 30 June 2020, revenue from ad hoc bulk sales to corporate third parties was RM4.8 million, accounting for 0.4% of our total revenue.

Revenue by geographical location

We generate almost all of our revenue from our operations in Malaysia, where we operate 670 out of our 674 stores as at the LPD. Revenue from our operations in Malaysia also includes revenue generated from our e-commerce website and the sale of our products on third party e-commerce retail platforms, revenue from trading sales of our products and, in relation to FPE 30 June 2020, ad hoc bulk sales to corporate third parties. The following table sets out a breakdown of our revenue by geographical location for the years/periods indicated.

	FYE 31 December					
	2017		2018		2019	
	RM'000	%	RM'000	%	RM'000	%
Malaysia	1,212,648	98.7	1,751,917	98.9	2,255,598	99.1
Brunei[1]	16,568	1.3	19,141	1.1	19,989	0.9
Total	**1,229,216**	**100.0**	**1,771,058**	**100.0**	**2,275,587**	**100.0**

	FPE 30 June			
	2019		2020	
	RM'000	**%**	**RM'000**	**%**
Malaysia	1,086,591	99.1	1,039,961	99.0
Brunei[1]	10,139	0.9	10,788	1.0
Total	**1,096,730**	**100.0**	**1,050,749**	**100.0**

Note:

(1) Revenue from our operations in Brunei is denominated in BND, and has been converted to RM for the purposes of presentation in the above table. The revenue generated from our operations in Brunei shown in the table above would be impacted by fluctuations in the BND-RM foreign exchange rate. We therefore also set out below a breakdown of our revenue from our operations in Brunei in local currency terms.

	FYE 31 December					
	2017		2018		2019	
	RM'000	**BND'000**	**RM'000**	**BND'000**	**RM'000**	**BND'000**
Brunei	16,568	5,499	19,141	6,306	19,989	6,573
Exchange rate[1] (RM to BND)	3.0131	-	3.0355	-	3.0412	-

	FPE 30 June			
	2019		2020	
	RM'000	**BND'000**	**RM'000**	**BND'000**
Brunei	10,139	3,318	10,788	3,517
Exchange rate[1] (RM to BND)	3.0562	-	3.0676	-

Note:

(1) Based on the middle rates quoted by BNM at 5.00 p.m. on 29 December 2017, 31 December 2018, 31 December 2019, 28 June 2019 and 30 June 2020, being the last business day for FYE 31 December 2017, 2018 and 2019, and FPE 30 June 2019 and 2020 respectively.

Cost of sales

Our cost of sales comprises: (i) fees we pay to third party trading houses in Malaysia for import and logistics services, which includes the purchase costs of the products we purchase from our end suppliers, and fees for transportation and delivery services and handling customs clearing processes; (ii) the purchase costs of the products we purchase directly from our end suppliers in Malaysia; (iii) fees we pay to third party logistics service providers to deliver our products from our distribution centre to our stores and to fulfil sales orders through our e-commerce website and third party e-commerce platforms; and (iv) costs associated with inventories written off and inventory losses. In line with our revenue breakdown by geographical location, almost all of our cost of sales were incurred for our operations in Malaysia.

In FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2019 and 2020, our cost of sales was RM687.2 million, RM997.2 million, RM1,311.9 million, RM633.4 million and RM602.7 million, respectively, which included costs associated with inventories written off and inventory losses of RM8.9 million, RM18.8 million, RM32.1 million, RM12.2 million and RM10.3 million, respectively.

Other operating income

Our other operating income comprise primarily of: (i) interest income received from deposits with financial institutions; (ii) reversal of provisions for restoration costs for our stores; (iii) gains on disposals of property, plant and equipment; and (iv) realised gains from changes in foreign exchange rates, driven mainly by gains from fluctuations in the BND-RM foreign exchange rate arising from our operations in Brunei and fluctuations in the SGD-RM foreign exchange rate arising from our trading sales denominated in SGD.

The following table sets out a breakdown of our other operating income for the years/periods indicated.

	FYE 31 December					
	2017		2018		2019	
	RM'000	%	RM'000	%	RM'000	%
Interest income from deposits with financial institutions	1,133	45.9	1,489	39.0	3,120	30.4
Reversal of provisions for restoration costs	132	5.3	539	14.1	3,374	32.9
Gains from disposals	155	6.3	195	5.1	306	3.0
Others[(1)]	1,051	42.5	1,596	41.8	3,461	33.7
Total	**2,471**	**100.0**	**3,819**	**100.0**	**10,261**	**100.0**

	FPE 30 June			
	2019		2020	
	RM'000	%	RM'000	%
Interest income from deposits with financial institutions	1,977	28.9	1,498	18.4
Reversal of provisions for restoration costs	2,971	43.4	357	4.4
Gains from disposals	159	2.3	132	1.6
Others[(1)]	1,736	25.4	6,158	75.6
Total	**6,843**	**100.0**	**8,145**	**100.0**

Note:

(1) Comprises income from: (i) realised gains from changes in foreign exchange rates; (ii) the sale of recyclable materials such as packaging pallets and cardboard boxes; (iii) in relation to FYE 31 December 2018, compensation received from landlords in FYE 31 December 2018; (iv) in relation to FYE 31 December 2019, a gain on reassessments and modifications of leases of RM2.3 million in connection with the termination of leases for certain stores as a result of the relocation of such stores or a change in the landlord for such stores; (v) in relation to FPE 30 June 2020, rental rebates on our rental expenses of RM3.4 million we received from our landlords in respect of certain of our stores in connection with the implementation of the MCO; and (vi) in relation to FPE 30 June 2020, a management fee of RM1.5 million pursuant to the consultancy and shared functions agreement we entered into with MDIH for certain services we provide to the MDIH Group. The consultancy and shared functions agreement was effective from 1 October 2019. For further details on the consultancy and shared functions agreement, see Sections 10.1.1(iii) and 11.1 of this Prospectus.

Administrative expenses

Our administrative expenses comprise primarily of: (i) employee benefits expenses in respect of our staff at our corporate headquarters; (ii) advertising costs; (iii) rental expenses; (iv) upkeep and maintenance costs; (v) bank and credit card charges; and (vi) insurance expenses.

12. FINANCIAL INFORMATION *(Cont'd)*

The following table sets out a breakdown of our administrative expenses for the years/periods indicated.

	FYE 31 December					
	2017		2018		2019	
	RM'000	%	RM'000	%	RM'000	%
Employee benefits expenses(1)	19,985	53.9	33,829	57.6	28,420	40.3
Advertising	4,478	12.1	7,128	12.1	7,840	11.1
Rental expenses(2)	2,301	6.2	3,728	6.3	3,509	5.0
Upkeep and maintenance(3)	1,418	3.8	1,938	3.3	2,861	4.1
Bank and credit card charges(4)	1,030	2.8	1,742	3.0	2,570	3.6
Insurance expenses(5)	922	2.5	995	1.7	1,373	1.9
Depreciation of property, plant and equipment	295	0.8	147	0.3	162	0.2
Others(6)	6,637	17.9	9,200	15.7	23,720	33.8
Total	**37,066**	**100.0**	**58,707**	**100.0**	**70,455**	**100.0**

	FPE 30 June			
	2019		2020	
	RM'000	%	RM'000	%
Employee benefits expenses(1)	17,087	43.5	21,187	52.4
Advertising	3,620	9.2	3,516	8.7
Rental expenses(2)	1,843	4.7	1,853	4.6
Upkeep and maintenance(3)	1,234	3.1	2,232	5.5
Bank and credit card charges(4)	1,314	3.3	1,433	3.5
Insurance expenses(5)	808	2.1	695	1.7
Depreciation of property, plant and equipment	81	0.2	123	0.3
Others(6)	13,299	33.9	9,425	23.3
Total	**39,286**	**100.0**	**40,464**	**100.0**

Notes:

(1) Employee benefits expenses in respect of salaries, bonuses, contributions to defined contribution plans, directors' remuneration and other costs relating to our staff at our corporate headquarters.

(2) Mainly comprises rental expenses in respect of advertising space and land.

(3) Upkeep and maintenance expenses in respect of our corporate headquarters, such as cleaning and repair works, purchase of storage items and maintenance of software, machinery and hardware.

(4) Bank and credit card charges in respect of merchant fees charged by financial institutions and online payment gateways for sales paid using credit and debit cards.

(5) Insurance expenses in respect of our motor vehicles, staff, operational premises and stores.

(6) Other administrative expenses include expenses in respect of security services, medical fees, permit expenses, printing and stationery, entertainment expenses, stamp duty, professional fees and commission fees paid to service providers in connection with our use of their e-commerce retail platforms. Our other administrative expenses in FYE 31 December 2019 also includes a total of RM9.8 million in one-off costs comprising: (i) RM6.0 million in respect of stamp duty and arrangement fees relating to revolving credit and term loan facilities we incurred in FYE 31 December 2019; and (ii) RM3.8 million in audit and professional fees incurred in connection with our IPO. Our other administrative expenses in FPE 30 June 2019 and 2020 also includes one-off costs comprising RM2.2 million and RM3.1 million, respectively, in audit and professional fees incurred in connection with our IPO.

Other operating expenses

Our other operating expenses comprise primarily of: (i) employee benefits expenses in respect of our staff at our distribution centre, warehousing facilities and stores; (ii) depreciation of right-of-use assets; (iii) depreciation of property, plant and equipment; (iv) utilities expenses; and (v) transportation costs.

The following table sets out a breakdown of our other operating expenses for the years/periods indicated.

	FYE 31 December					
	2017		2018		2019	
	RM'000	%	RM'000	%	RM'000	%
Employee benefits expenses[1]	104,877	50.6	140,580	48.2	199,044	49.4
Depreciation of right-of-use assets	51,572	24.9	72,749	25.0	96,201	23.9
Depreciation of property, plant and equipment[2]	19,993	9.7	30,865	10.6	41,523	10.3
Utilities expenses[3]	17,279	8.3	26,469	9.1	36,446	9.0
Transportation[4]	6,674	3.2	9,254	3.2	11,821	2.9
Upkeep and maintenance[5]	2,639	1.3	4,163	1.4	6,859	1.7
Levy charges[6]	-	-	3,317	1.1	2,672	0.7
Rental expenses[7]	2,514	1.2	2,455	0.8	3,431	0.9
Amortisation of intangible assets	493	0.2	639	0.2	917	0.2
Others[8]	1,154	0.6	1,071	0.4	3,953	1.0
Total	**207,195**	**100.0**	**291,562**	**100.0**	**402,867**	**100.0**

	FPE 30 June			
	2019		2020	
	RM'000	%	RM'000	%
Employee benefits expenses[1]	92,710	49.2	110,205	49.9
Depreciation of right-of-use assets	45,231	23.9	56,350	25.5
Depreciation of property, plant and equipment[2]	19,443	10.3	24,141	10.9
Utilities expenses[3]	17,081	9.1	17,679	8.0
Transportation[4]	5,361	2.8	4,453	2.0
Upkeep and maintenance[5]	3,010	1.6	3,113	1.4
Levy charges[6]	1,307	0.7	1,315	0.6
Rental expenses[7]	1,700	0.9	2,360	1.1
Amortisation of intangible assets	387	0.2	537	0.2
Others[8]	2,393	1.3	937	0.4
Total	**188,623**	**100.0**	**221,090**	**100.0**

Notes:

(1) Employee benefits expenses in respect of salaries, bonuses, contributions to defined contribution plans and other costs relating to our staff at our distribution centre, warehousing facilities and stores.

(2) Including depreciation in respect of our trucks.

(3) Utilities expenses in respect of our corporate headquarters, distribution centre, warehousing facilities and stores.

(4) Transportation expenses include petrol costs in connection with the delivery of our products by our delivery trucks, transportation costs for our staff at our corporate headquarters and accommodation costs.

(5) Upkeep and maintenance expenses in respect of our distribution centre, warehousing facilities and stores.

(6) From 1 January 2018 onwards, we are required to pay levy charges for our non-Malaysian employees in Malaysia.

(7) Rental expenses in respect of short term leases and leases in respect of low value assets.

(8) Other operating expenses include fixed assets written off and hostel expenses.

Finance costs

Our finance costs comprise primarily of interest expenses on: (i) lease liabilities; (ii) bank overdrafts, revolving credit facilities, hire purchase arrangements and term loans; and (iii) unwinding of discounts on provisions (accounted for as accreted interest based on the present value of such provisions) for restoration costs for the reinstatement of our stores on the expiry of our stores' leases.

The following table sets out a breakdown of our finance costs for the years/periods indicated.

	FYE 31 December					
	2017		2018		2019	
	RM'000	%	RM'000	%	RM'000	%
Interest expense on:						
Lease liabilities	19,190	91.4	27,648	91.8	37,373	57.8
Borrowings	1,353	6.4	1,808	6.0	26,516	41.1
Unwinding of discount on provision for restoration costs	466	2.2	670	2.2	717	1.1
Total	**21,009**	**100.0**	**30,126**	**100.0**	**64,606**	**100.0**

	FPE 30 June			
	2019		2020	
	RM'000	%	RM'000	%
Interest expense on:				
Lease liabilities	17,661	62.0	21,975	61.0
Borrowings	10,483	36.8	13,706	38.0
Unwinding of discount on provision for restoration costs	351	1.2	359	1.0
Total	**28,495**	**100.0**	**36,040**	**100.0**

Share of profit of an associate

Our share of profit of an associate comprise of our share of profit of our associate, Qube, which we account for using the equity method of accounting based on our effective equity interest in our associate. Our effective equity interest in Qube as at 31 December 2017, 2018 and 2019 and 30 June 2019 and 2020 was 30.0%.

Income tax expense

Our income tax expense comprise primarily of: (i) income tax expenses on our PBT at the applicable statutory tax rate in Malaysia; and (ii) deferred income tax relating to origination and reversal of temporary differences. Our effective income tax rate in a given year/period differs from the applicable statutory tax rates for the current year/period due to: (a) changes in our non-deductible expenses, which primarily arise from the depreciation of non-qualifying property, plant and equipment, legal and professional fees, licence and registration fees and entertainment expenses; (b) under or over-provisions for income tax expenses in prior years/periods; and (c) under or over-provisions of deferred tax expenses in prior years/periods.

We are subject to income tax at the applicable statutory tax rates in Malaysia and Brunei. The table below sets out the taxation and effective tax rates of our Group for the years/periods indicated.

	FYE 31 December			**FPE 30 June**	
	2017	**2018**	**2019**	**2019**	**2020**
Income tax expense recognised in consolidated statements of profit or loss and other comprehensive income (RM'000)	69,874	90,128	120,165	59,944	44,264
Malaysian tax rate (%)	24.0	24.0	24.0	24.0	24.0
Brunei tax rate (%)	18.5	18.5	18.5	18.5	18.5
Effective tax rate *(%)*	25.0	22.6	27.5	28.0	27.7

In FYE 31 December 2017, our effective tax rate was higher than the statutory income tax rate in Malaysia due to non-deductible expenses such as the depreciation of non-qualifying property, plant and equipment, non-recurring legal and professional fees, and entertainment expenses.

In FYE 31 December 2018, our effective tax rate was lower than the statutory income tax rate in Malaysia due to tax incentives granted by the Ministry of Finance, Malaysia for incremental chargeable income from business sources.

In FYE 31 December 2019, our effective tax rate was higher than the statutory income tax rate in Malaysia due to non-deductible one-off expenses we incurred in respect of stamp duty and arrangement fees relating to revolving credit and term loan facilities which we incurred in FYE 31 December 2019 and non-deductible interest expense from certain of our borrowings, the proceeds of which were used for dividends declared by our Company.

In FPE 30 June 2019, our effective tax rate was higher than the statutory income tax rate in Malaysia due to non-deductible one-off expenses we incurred in respect of stamp duty and arrangement fees relating to revolving credit and term loan facilities which we incurred in FPE 30 June 2019 and non-deductible interest expense from certain of our borrowings, the proceeds of which were used for dividends declared by our Company.

In FPE 30 June 2020, our effective tax rate was higher than the statutory income tax rate in Malaysia due to non-deductible expenses incurred for the period, such as the depreciation of non-qualifying assets.

Other comprehensive income

Our other comprehensive income comprise gains on foreign currency translations between the BND and RM.

FPE 30 June 2020 compared to FPE 30 June 2019

The following table presents selected financial information from our consolidated statements of profit or loss and other comprehensive income for the periods indicated.

	FPE 30 June				
	2019		2020		% change
	RM'000	%	RM'000	%	
Revenue	1,096,730	100	1,050,749	100	(4.2)
Cost of sales	(633,421)	57.8	(602,707)	57.4	(4.8)
GP	**463,309**	**42.2**	**448,042**	**42.6**	(3.3)
Other operating income	6,843	0.6	8,145	0.8	19.0
Administrative expenses	(39,286)	3.6	(40,464)	3.9	3.0
Other operating expenses	(188,623)	17.2	(221,090)	21.0	17.2
Profit from operations	**242,243**	**22.1**	**194,633**	**18.5**	(19.7)
Finance costs	(28,495)	2.6	(36,040)	3.4	26.5
Share of profit of an associate	630	0.1	1,114	0.1	76.8
PBT	**214,378**	**19.5**	**159,707**	**15.2**	**(25.5)**
Income tax expense	(59,944)	5.5	(44,264)	4.2	(26.2)
Net profit for the financial period	**154,434**	**14.1**	**115,443**	**11.0**	(25.2)
Other comprehensive income, net of tax	41	-	104	-	153.7
Total comprehensive income	**154,475**	**14.1**	**115,547**	**11.0**	**(25.2)**

Revenue

The following table sets out a breakdown of our revenue by geographical locations for the periods indicated.

	FPE 30 June				
	2019		2020		% change
Revenue	**RM'000**	**%**	**RM'000**	**%**	
Malaysia[(1)]	1,086,591	99.1	1,039,961	99.0	(4.3)
Brunei	10,139	0.9	10,788	1.0	6.4
Total	**1,096,730**	**100.0**	**1,050,749**	**100.0**	**(4.2)**

Note:

(1) Revenue from our operations in Malaysia also includes revenue generated from our e-commerce website, the sale of our products on third party e-commerce retail platforms and revenue from trading sales of our products and, in relation to FPE 30 June 2020, ad hoc bulk sales to corporate third parties.

Our revenue generated by our operations in Malaysia decreased by 4.3% from RM1,086.6 million in FPE 30 June 2019 to RM1,040.0 million in FPE 30 June 2020, primarily due to a decrease in the number of transactions at our stores from 47.9 million in FPE 30 June 2019 to 40.4 million in FPE 30 June 2020 as a result of: (i) having to temporarily cease the operations of a number of our stores in Malaysia during the MCO; and (ii) the continuation from 2019 of a general slowdown in consumer demand in Malaysia in FPE 30 June 2020, partially offset by an increase in the average number of stores we operated from 495 in FPE 30 June 2019 to 616 in FPE 30 June 2020. In FPE 30 June 2020, our revenue generated by our operations in Malaysia also included RM4.8 million in revenue from ad hoc bulk sales of personal protection products, such as face masks, hand sanitisers, safety goggles and protective face shields, to corporate third parties.

Our revenue generated by our operations in Brunei increased by 6.4% from RM10.1 million in FPE 30 June 2019 to RM10.8 million in FPE 30 June 2020, primarily due to an increase in the number of transactions at our stores from 279,000 in FPE 30 June 2019 to 286,000 in FPE 30 June 2020.

Cost of sales

Our cost of sales decreased by 4.8% from RM633.4 million in FPE 30 June 2019 to RM602.7 million in FPE 30 June 2020, in line with the decrease in sales.

GP and GP margin

Our GP decreased by 3.3% from RM463.3 million in FPE 30 June 2019 to RM448.0 million in FPE 30 June 2020 as a result of the reasons described above.

Our GP margin remained generally consistent at 42.2% in FPE 30 June 2019 and 42.6% in FPE 30 June 2020.

The following tables set out the breakdown of our GP by product category for the periods indicated.

FPE 30 June 2019	**Hardware**	**Household and furnishing**	**Electrical**	**Stationery and sport equipment**	**Others**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue[(1)]	193,345	420,272	120,536	98,582	254,927	1,087,662
Cost of sales	(113,563)	(256,262)	(73,966)	(53,993)	(127,532)	(625,316)
Product GP	79,782	164,010	46,570	44,589	127,395	462,346
%[(2)]	41.3	39.0	38.6	45.2	50.0	42.5
Others[(3)]						963
GP						**463,309**

FPE 30 June 2020	**Hardware**	**Household and furnishing**	**Electrical**	**Stationery and sport equipment**	**Others**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue[(1)]	187,221	409,990	105,284	75,388	246,782	1,024,665
Cost of sales	(104,595)	(253,020)	(62,079)	(40,461)	(119,608)	(579,763)
Product GP	82,626	156,970	43,205	34,927	127,174	444,902
%[(2)]	44.1	38.3	41.0	46.3	51.5	43.4
Others[(3)]						3,140
GP						**448,042**

Notes:

(1) Excludes revenue generated from our e-commerce website, sale of our products on third party e-commerce retail platforms and revenue from trading sales of our products and, in relation to FPE 30 June 2020, ad hoc bulk sales to corporate third parties.

(2) Computed as product GP divided by revenue.

(3) Includes e-commerce revenue, and revenue from third parties and, in relation to FPE 30 June 2020, ad hoc bulk sales to corporate third parties, net of associated costs.

Other operating income

Our other operating income increased by 19.0% from RM6.8 million in FPE 30 June 2019 to RM8.1 million in FPE 30 June 2020, primarily due to: (i) an increase in other income as a result of rental rebates on our rental expenses of RM3.4 million we received from our landlords in FPE 30 June 2020 in respect of certain of our stores in connection with the implementation of the MCO; and (ii) a management fee of RM1.5 million pursuant to the consultancy and shared functions agreement (which was effective from 1 October 2019) that we entered into with MDIH for certain services we provide to the MDIH Group, partially offset by a decrease in (a) the reversal of provisions for restoration costs from RM3.0 million in FPE 30 June 2019 to RM0.4 million in FPE 30 June 2020 as a result of revisions to our estimated costs for the reinstatement of our stores on the expiry of our stores' leases; and (b) interest income from finance institutions from RM2.0 million in FPE 30 June 2019 to RM1.5 million in FPE 30 June 2020 primarily due to a decrease in interest rates.

Administrative expenses

Our administrative expenses increased by 3.0% from RM39.3 million in FPE 30 June 2019 to RM40.5 million in FPE 30 June 2020, primarily due to: (i) an increase in employee benefits expenses from RM17.1 million in FPE 30 June 2019 to RM21.2 million in FPE 30 June 2020 as a result of an increase in our corporate headquarters staff from 436 as at 30 June 2019 to 509 as at 30 June 2020 to facilitate the growth of our operations and an increase in salaries and related staff costs; (ii) an increase in our upkeep and maintenance expenses from RM1.2 million in FPE 30 June 2019 to RM2.2 million in FPE 30 June 2020 primarily as a result of an increase in expenses on storage items, such as storage boxes and pallets, and maintenance for machinery and hardware; (iii) an increase in audit and professional fees relating to our IPO from RM2.2 million in FPE 30 June 2019 to RM3.1 million in FPE 30 June 2020; and (iv) an increase in our bank and credit card charges from RM1.3 million in FPE 30 June 2019 to RM1.4 million in FPE 30 June 2020, partially offset by a reduction in advertising expenses and other administrative expenses as a result of a one-off payment in FPE 30 June 2019 of RM6.0 million in respect of stamp duty and arrangement fees relating to revolving credit and term loan facilities we incurred in FPE 30 June 2019.

Other operating expenses

Our other operating expenses increased by 17.2% from RM188.6 million in FPE 30 June 2019 to RM221.1 million in FPE 30 June 2020, primarily due to: (i) an increase in our employee benefits expenses from RM92.7 million to RM110.2 million as a result of an increase in our warehousing and store staff from 8,028 as at 30 June 2019 to 9,740 as at 30 June 2020 to facilitate the growth of our operations; (ii) an increase in our depreciation of right-of-use assets from RM45.2 million to RM56.4 million as a result of an increase in the number of leases we entered into; (iii) an increase in our depreciation of property, plant and equipment from RM19.4 million to RM24.1 million as a result of an increase in our fixed assets in our new stores; (iv) an increase in our utilities expenses from RM17.1 million to RM17.7 million as a result of the growth in our store network, partially offset by having to temporarily close certain of our stores as a result of the implementation of the MCO; (v) an increase in our upkeep of assets from RM3.0 million to RM3.1 million; and (vi) an increase in our rental expenses from RM1.7 million to RM2.4 million, partially offset by a decrease in transportation expenses from RM5.4 million in FPE 30 June 2019 to RM4.5 million in FPE 30 June 2020 as a result of a reduction in the number of deliveries from our warehousing facilities to our stores as a result of having to temporarily cease the operations of certain of our stores in Malaysia during the MCO and a decrease in travelling expense reimbursements which we provide to certain of our employees, due to work from home arrangements during the MCO period.

Profit from operations

Our profit from operations decreased by 19.7% from RM242.2 million in FPE 30 June 2019 to RM194.6 million in FPE 30 June 2020 as a result of the reasons described above.

The following table sets out a breakdown of our profit from operations by geographical location for the periods indicated.

	Malaysia	Brunei	Eliminations[2]	Total
	RM'000	RM'000	RM'000	RM'000
FPE 30 June 2019				
Profit from operations	238,752	3,451	40	242,243
Margin of profit from operations[1]	22.0%	34.0%		22.1%
FPE 30 June 2020				
Profit from operations	191,394	3,231	8	194,633
Margin of profit from operations[1]	18.4%	29.9%		18.5%

Notes:

(1) Computed based on profit from operations divided by revenue of our operations at such geographical location.

(2) Refers to adjustments to eliminate intercompany transactions between the Malaysia operations and Brunei operations of our Group in deriving the consolidated profit from operations of our Group.

Our profit from operations in Malaysia decreased by 19.8% from RM238.8 million in FPE 30 June 2019 to RM191.4 million in FPE 30 June 2020, while our margin in respect of profit from operations in Malaysia decreased from 22.0% in FPE 30 June 2019 to 18.4% in FPE 30 June 2020.

Our profit from operations in Brunei decreased by 6.4% from RM3.5 million in FPE 30 June 2019 to RM3.2 million in FPE 30 June 2020, while our margin in respect of profit from operations in Brunei decreased from 34.0% in FPE 30 June 2019 to 29.9% in FPE 30 June 2020.

Finance costs

Our finance costs increased by 26.5% from RM28.5 million in FPE 30 June 2019 to RM36.0 million in FPE 30 June 2020, primarily due to: (i) an increase in interest expense on borrowings from RM10.5 million in FPE 30 June 2019 to RM13.7 million in FPE 30 June 2020 as we incurred 6 months of interest expense during FPE 30 June 2020 (as compared to approximately 4 months of interest expense during FPE 30 June 2019) as a result of drawing down on our revolving credit and term loan facilities of RM600.0 million in March and April 2019 for our working capital, our general corporate purposes and to finance our capital expenditure (for further details, see Section 12.2.6 of this Prospectus), partially offset by a decrease in the interest rates on our loan facilities in FPE 30 June 2020 compared to FPE 30 June 2019; and (ii) an increase in interest expense on our lease liabilities from RM17.7 million in FPE 30 June 2019 to RM22.0 million in FPE 30 June 2020 as a result of an increase in the number of leases we entered into.

Share of profit of an associate

Our share of profit of an associate increased by 76.8% from RM0.6 million in FPE 30 June 2019 to RM1.1 million in FPE 30 June 2020, primarily due to an increase in distributable profits in our associate, Qube.

PBT and PBT margin

Our PBT decreased by 25.5% from RM214.4 million in FPE 30 June 2019 to RM159.7 million in FPE 30 June 2020 as a result of a decrease in our revenue, which was primarily a result of us having to temporarily cease the operations of a number of our stores in Malaysia during the MCO and an increase in our expenses during the financial period for the reasons described above.

Our PBT margin decreased from 19.5% in FPE 30 June 2019 to 15.2% in FPE 30 June 2020 as a result of the decrease in our revenue and increase in our expenses during the financial period for the reasons described above.

Income tax expense

Our income tax expense decreased by 26.2% from RM59.9 million in FPE 30 June 2019 to RM44.3 million in FPE 30 June 2020, primarily due to a decrease in our PBT and deferred income tax expenses.

Net profit for the financial period

As a result of the foregoing, our net profit for the financial period decreased by 25.2% from RM154.4 million in FPE 30 June 2019 to RM115.4 million in FPE 30 June 2020.

FYE 31 December 2019 compared to FYE 31 December 2018

The following table presents selected financial information from our consolidated statements of profit or loss and other comprehensive income for the years indicated.

	FYE 31 December				
	2018		**2019**		**% change**
	RM'000	**%**	**RM'000**	**%**	
Revenue	1,771,058	100	2,275,587	100	28.5
Cost of sales	(997,227)	56.3	(1,311,894)	57.7	31.6
GP	**773,831**	**43.7**	**963,693**	**42.3**	**24.5**
Other operating income	3,819	0.2	10,261	0.5	168.7
Administrative expenses	(58,707)	3.3	(70,455)	3.1	20.0
Other operating expenses	(291,562)	16.5	(402,867)	17.7	38.2
Profit from operations	**427,381**	**24.1**	**500,632**	**22.0**	**17.1**
Finance costs	(30,126)	1.7	(64,606)	2.8	114.5
Share of profit of an associate	1,206	0.1	1,707	0.1	41.5
PBT	**398,461**	**22.5**	**437,733**	**19.2**	**9.9**
Income tax expense	(90,128)	5.1	(120,165)	5.3	33.3
Net profit for the financial year	**308,333**	**17.4**	**317,568**	**14.0**	**3.0**
Other comprehensive income, net of tax	33	-	17	-	(48.5)
Total comprehensive income	**308,366**	**17.4**	**317,585**	**14.0**	**3.0**

Revenue

The following table sets out a breakdown of our revenue by geographical locations for the years indicated.

	FYE 31 December				
	2018		**2019**		**% change**
Revenue	**RM'000**	**%**	**RM'000**	**%**	
Malaysia[(1)]	1,751,917	98.9	2,255,598	99.1	28.8
Brunei	19,141	1.1	19,989	0.9	4.4
Total	**1,771,058**	**100.0**	**2,275,587**	**100.0**	**28.5**

Note:

(1) Revenue from our operations in Malaysia also includes revenue generated from our e-commerce website and the sale of our products on third party e-commerce retail platforms and revenue from trading sales of our products.

Our revenue generated by our operations in Malaysia increased by 28.8% from RM1,751.9 million in FYE 31 December 2018 to RM2,255.6 million in FYE 31 December 2019, primarily due to: (i) the expansion of our store network in Malaysia from 463 stores as at 31 December 2018 to 589 stores as at 31 December 2019; (ii) an increase in the number of transactions at our stores from 80.4 million in FYE 31 December 2018 to 100.7 million in FYE 31 December 2019 reflecting the full financial year impact in FYE 31 December 2019 of our 113 stores (net of store closures) which opened in FYE 31 December 2018; and (iii) an increase in the average value of transactions at our stores.

Our revenue generated by our operations in Brunei increased by 4.4% from RM19.1 million in FYE 31 December 2018 to RM20.0 million in FYE 31 December 2019, primarily due to an increase in the number of transactions at our stores, from 536,000 transactions in FYE 31 December 2018 to 571,000 transactions in FYE 31 December 2019.

Cost of sales

Our cost of sales increased by 31.6% from RM997.2 million in FYE 31 December 2018 to RM1,311.9 million in FYE 31 December 2019, primarily due to an increase in sales and an increase in inventory losses and inventories written off from RM18.8 million in FYE 31 December 2018 to RM32.1 million in FYE 31 December 2019, in line with the increase in our store network and as a result of a RM5.7 million write off of certain of our inventory which did not comply with applicable certification standards for SIRIM and MCMC. The inventory losses and inventories written off represent 1.4% of our revenue for FYE 31 December 2019 compared to 1.1% of our revenue for FYE 31 December 2018. The higher rate of increase in our cost of sales relative to the increase in our revenue between FYE 31 December 2018 and 2019 was driven primarily by an increase in costs as a result of the implementation of SST in Malaysia in September 2018, which were not immediately passed on to consumers.

GP and GP margin

Our GP increased by 24.5% from RM773.8 million in FYE 31 December 2018 to RM963.7 million in FYE 31 December 2019 as a result of the reasons described above.

Our GP margin decreased from 43.7% in FYE 31 December 2018 to 42.3% in FYE 31 December 2019 as a result of the higher rate of increase in our cost of sales relative to the increase in our revenue between FYE 31 December 2018 and 2019, driven primarily by the implementation of SST in Malaysia in September 2018 and as a result of RM5.7 million write off of certain of our inventory which did not comply with applicable certification standards for SIRIM and MCMC.

The following tables set out the breakdown of our GP by product category for the years indicated.

FYE 31 December 2018	**Hardware**	**Household and furnishing**	**Electrical**	**Stationery and sport equipment**	**Others**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue(1)	319,283	653,900	200,591	172,973	419,449	1,766,196
Cost of sales	(183,698)	(390,130)	(120,714)	(93,873)	(204,227)	(992,642)
Product GP	135,585	263,770	79,877	79,100	215,222	773,554
%(2)	42.5	40.3	39.8	45.7	51.3	43.8
Others(3)						277
GP						**773,831**

FYE 31 December 2019	Hardware RM'000	Household and furnishing RM'000	Electrical RM'000	Stationery and sport equipment RM'000	Others RM'000	Total RM'000
Revenue(1)	404,740	867,092	233,779	209,419	537,463	2,252,493
Cost of sales	(236,751)	(532,926)	(145,003)	(115,234)	(262,248)	(1,292,162)
Product GP	167,989	334,166	88,776	94,185	275,215	960,331
%(2)	41.5	38.5	38.0	45.0	51.2	42.6
Others(3)						3,362
GP						**963,693**

Notes:

(1) Excludes revenue generated from our e-commerce website and sale of our products on third party e-commerce retail platforms and revenue from trading sales of our products.

(2) Computed as product GP divided by revenue.

(3) Includes e-commerce revenue and revenue from third parties, net of associated costs.

Other operating income

Our other operating income increased by 168.7% from RM3.8 million in FYE 31 December 2018 to RM10.3 million in FYE 31 December 2019, primarily due to: (i) an increase in interest income from deposits with financial institutions; (ii) the gain on reassessments and modifications of leases in FYE 31 December 2019 of RM2.3 million; (iii) an increase in gains on disposal of property, plant and equipment; and (iv) an increase in the reversal of provisions for restoration costs as a result of revisions to our estimated costs for the reinstatement of our stores on the expiry of our stores' leases, partially offset by a decrease in other income as a result of a one-off payment of RM500,000 in compensation from our landlord to us in FYE 31 December 2018 due to the early termination of our tenancy agreement by our landlord.

Administrative expenses

Our administrative expenses increased by 20.0% from RM58.7 million in FYE 31 December 2018 to RM70.5 million in FYE 31 December 2019, primarily due to: (i) one-off payments of RM6.0 million in respect of stamp duty and arrangement fees relating to revolving credit and term loan facilities we incurred in FYE 31 December 2019 and RM3.8 million in audit and professional fees incurred in FYE 31 December 2019 in connection with our IPO; (ii) an increase in our upkeep and maintenance expenses from RM1.9 million in FYE 31 December 2018 to RM2.9 million in FYE 31 December 2019 primarily as a result of an increase in expenses on storage boxes, cleaning and repair works and software system maintenance in connection with the growth of our operations; (iii) an increase in our advertising expenses from RM7.1 million in FYE 31 December 2018 to RM7.8 million in FYE 31 December 2019 in connection with our opening of new stores; (iv) an increase in our bank and credit card charges from RM1.7 million in FYE 31 December 2018 to RM2.6 million in FYE 31 December 2019; and (v) an increase in our expenses on other professional fees, security services and other miscellaneous expenses from RM5.6 million in FYE 31 December 2018 to RM9.2 million in FYE 31 December 2019, partially offset by a reduction in employee benefits expenses by RM5.4 million as a result of an over-provision for employee bonuses in FYE 31 December 2018.

Other operating expenses

Our other operating expenses increased by 38.2% from RM291.6 million in FYE 31 December 2018 to RM402.9 million in FYE 31 December 2019, primarily due to: (i) an increase in our employee benefits expenses from RM140.6 million to RM199.0 million as a result of an increase in our warehousing and store staff from 7,577 as at 31 December 2018 to 9,002 as at 31 December 2019 to facilitate the growth of our operations and an increase in salaries and related staff costs; (ii) an increase in our depreciation of right-of-use assets from RM72.7 million to RM96.2 million as a result of an increase in the number of leases we entered into; (iii) an increase in our depreciation of property, plant and equipment from RM30.9 million to RM41.5 million as a result of an increase in our fixed assets in our new stores; (iv) an increase in our utilities expenses from RM26.5 million to RM36.4 million as a result of the growth in our store network; (v) an increase in our upkeep and maintenance expenses in respect of our distribution centre, warehousing facilities and stores from RM4.2 million to RM6.9 million as a result of the growth in our operations; (vi) an increase in our transportation expenses from RM9.3 million to RM11.8 million as a result of the growth in our store network; and (vii) an increase in our other expenses from RM1.1 million to RM4.0 million primarily as a result of fixed assets written off for furniture, fittings, equipment, signboards and renovation in connection with our stores which were closed or relocated and adjustments for the reassessment of right-of-use assets pertaining to the restoration costs of our stores, partially offset by a decrease in hostel expenses for certain of our employees during FYE 31 December 2019.

Profit from operations

Our profit from operations increased by 17.1% from RM427.4 million in FYE 31 December 2018 to RM500.6 million in FYE 31 December 2019 as a result of the reasons described above.

The following table sets out a breakdown of our profit from operations by geographical location for the years indicated.

	Malaysia	Brunei	[2]Eliminations	Total
	RM'000	RM'000	RM'000	RM'000
FYE 31 December 2018				
Profit from operations	420,679	6,800	(98)	427,381
Margin of profit from operations [1]	24.0%	35.5%		24.1%
FYE 31 December 2019				
Profit from operations	493,523	7,041	68	500,632
Margin of profit from operations [1]	21.9%	35.2%		22.0%

Notes:

(1) Computed based on profit from operations divided by revenue.

(2) Refers to adjustments to eliminate intercompany transactions between the Malaysia operations and Brunei operations of our Group in deriving the consolidated profit from operations of our Group.

Our profit from operations in Malaysia increased by 17.3% from RM420.7 million in FYE 31 December 2018 to RM493.5 million in FYE 31 December 2019, while our margin in respect of profit from operations in Malaysia decreased from 24.0% in FYE 31 December 2018 to 21.9% in FYE 31 December 2019.

Our profit from operations in Brunei increased by 3.5% from RM6.8 million in FYE 31 December 2018 to RM7.0 million in FYE 31 December 2019, while our margin in respect of profit from operations in Brunei was relatively consistent between FYE 31 December 2018 and 2019 at 35.5% and 35.2%, respectively.

Finance costs

Our finance costs increased from RM30.1 million in FYE 31 December 2018 to RM64.6 million in FYE 31 December 2019, primarily due to: (i) an increase in interest expense from RM1.8 million in FYE 31 December 2018 to RM26.5 million in FYE 31 December 2019 due to an increase in our borrowings in respect of the revolving credit and term loan facilities of RM600.0 million we incurred in FYE 31 December 2019 for our working capital, our general corporate purposes and to finance our capital expenditure (for further details, see Section 12.2.6 of this Prospectus); and (ii) an increase in interest expense on our lease liabilities from RM27.6 million in FYE 31 December 2018 to RM37.4 million in FYE 31 December 2019 as a result of an increase in the number of leases we entered into.

Share of profit of an associate

Our share of profit of an associate increased by 41.5% from RM1.2 million in FYE 31 December 2018 to RM1.7 million in FYE 31 December 2019, primarily due to an increase in distributable profits in our associate, Qube.

PBT and PBT margin

Our PBT increased by 9.9% from RM398.5 million in FYE 31 December 2018 to RM437.7 million in FYE 31 December 2019 as a result of the increase in our revenue, which was primarily a result of the expansion of our store network in Malaysia, an increase in the number of transactions and an increase in the average value of transactions at our stores, as described above.

Our PBT margin decreased from 22.5% in FYE 31 December 2018 to 19.2% in FYE 31 December 2019 as a result of a higher increase in our expenses including cost of sales, operating expenses and finance cost when compared to the increase in our revenue during the financial year as described above.

Income tax expense

Our income tax expense increased by 33.3% from RM90.1 million in FYE 31 December 2018 to RM120.2 million in FYE 31 December 2019, primarily due to an increase in our PBT and deferred income tax expenses.

Net profit for the financial year

As a result of the foregoing, our net profit for the financial year increased by 3.0% from RM308.3 million in FYE 31 December 2018 to RM317.6 million in FYE 31 December 2019.

FYE 31 December 2018 compared to FYE 31 December 2017

The following table presents selected financial information from our consolidated statements of profit or loss and other comprehensive income for the years indicated.

	FYE 31 December				
	2017		**2018**		**% change**
	RM'000	**%**	**RM'000**	**%**	
Revenue	1,229,216	100.0	1,771,058	100.0	44.1
Cost of sales	(687,210)	55.9	(997,227)	56.3	45.1
GP	**542,006**	**44.1**	**773,831**	**43.7**	**42.8**
Other operating income	2,471	0.2	3,819	0.2	54.6
Administrative expenses	(37,066)	3.0	(58,707)	3.3	58.4
Other operating expenses	(207,195)	16.9	(291,562)	16.5	40.7
Profit from operations	**300,216**	**24.4**	**427,381**	**24.1**	**42.4**
Finance costs	(21,009)	1.7	(30,126)	1.7	43.4
Share of profit of an associate	675	0.1	1,206	0.1	78.7
PBT	**279,882**	**22.8**	**398,461**	**22.5**	**42.4**
Income tax expense	(69,874)	5.7	(90,128)	5.1	29.0

	FYE 31 December				
	2017		2018		% change
	RM'000	%	RM'000	%	
Net profit for the financial year	**210,008**	**17.1**	**308,333**	**17.4**	**46.8**
Other comprehensive income, net of tax	9	0.0	33	0.0	266.7
Total comprehensive income	**210,017**	**17.1**	**308,366**	**17.4**	**46.8**

Revenue

The following table sets out a breakdown of our revenue by geographical locations for the years indicated.

	FYE 31 December				
	2017		2018		% change
Revenue	RM'000	%	RM'000	%	
Malaysia[(1)]	1,212,648	98.7	1,751,917	98.9	44.5
Brunei	16,568	1.3	19,141	1.1	15.5
Total	**1,229,216**	**100.0**	**1,771,058**	**100.0**	**44.1**

Note:

(1) Revenue from our operations in Malaysia also includes revenue generated from our e-commerce website and the sale of our products on third party e-commerce retail platforms and revenue from trading sales of our products.

Our revenue generated by our operations in Malaysia increased by 44.5% from RM1,212.6 million in FYE 31 December 2017 to RM1,751.9 million in FYE 31 December 2018, primarily due to: (i) the expansion of our store network in Malaysia from 351 stores as at 31 December 2017 to 463 stores as at 31 December 2018; (ii) an increase in the number of transactions at our stores from 57.9 million in FYE 31 December 2017 to 80.4 million in FYE 31 December 2018 as a result of the full year financial impact in FYE 31 December 2018 of our 110 new stores (net of store closures) which opened in FYE 31 December 2017; and (iii) an increase in the average value of transactions at our stores.

Our revenue generated by our operations in Brunei increased by 15.5% from RM16.6 million in FYE 31 December 2017 to RM19.1 million in FYE 31 December 2018, primarily due to: (i) the opening of our fourth store in Brunei in May 2018; and (ii) the full year financial impact in FYE 31 December 2018 of our two stores which opened during FYE 31 December 2017.

Cost of sales

Our cost of sales increased by 45.1% from RM687.2 million in FYE 31 December 2017 to RM997.2 million in FYE 31 December 2018, primarily due to an increase in sales and an increase in inventory losses and inventories written off from RM8.9 million in FYE 31 December 2017 to RM18.8 million in FYE 31 December 2018, in line with the increase in our store network. The inventory losses and inventories written off represent 1.1% of our revenue for FYE 31 December 2018 compared to 0.7% of our revenue for FYE 31 December 2017.

GP and GP margin

Our GP increased by 42.8% from RM542.0 million in FYE 31 December 2017 to RM773.8 million in FYE 31 December 2018 as a result of the reasons described above.

Our GP margin remained generally consistent in FYE 31 December 2017 and 2018 at 44.1% and 43.7%, respectively.

The following tables set out the breakdown of our GP by product category for the years indicated.

FYE 31 December 2017	**Hardware RM'000**	**Household and furnishing RM'000**	**Electrical RM'000**	**Stationery and sport equipment RM'000**	**Others RM'000**	**Total RM'000**
Revenue[(1)]	225,829	447,428	136,118	128,082	290,265	1,227,722
Cost of sales	(130,791)	(259,880)	(82,202)	(70,637)	(143,700)	(687,210)
Product GP	95,038	187,548	53,916	57,445	146,565	540,512
%[(2)]	42.1	41.9	39.6	44.9	50.5	44.0
Others[(3)]						1,494
GP						**542,006**

FYE 31 December 2018	**Hardware RM'000**	**Household and furnishing RM'000**	**Electrical RM'000**	**Stationery and sport equipment RM'000**	**Others RM'000**	**Total RM'000**
Revenue[(1)]	319,283	653,900	200,591	172,973	419,449	1,766,196
Cost of sales	(183,698)	(390,130)	(120,714)	(93,873)	(204,227)	(992,642)
Product GP	135,585	263,770	79,877	79,100	215,222	773,554
%[(2)]	42.5	40.3	39.8	45.7	51.3	43.8
Others[(3)]						277
GP						**773,831**

Notes:

(1) Excludes revenue generated from our e-commerce website and sale of our products on third party e-commerce retail platforms and revenue from trading sales of our products.

(2) Computed as product GP divided by revenue.

(3) Includes e-commerce revenue and revenue from third parties, net of associated costs.

Other operating income

Our other operating income increased by 54.6% from RM2.5 million in FYE 31 December 2017 to RM3.8 million in FYE 31 December 2018, primarily due to: (i) RM500,000 in compensation received from our landlord as a result of the early termination of our tenancy agreement by our landlord; (ii) an increase in the reversal of provisions for restoration costs for the reinstatement of our stores on the expiry of our stores' leases; (iii) an increase in interest income received from our deposits with financial institutions; and (iv) an increase in other income as a result of costs charged back to our related party for temporary secondments of our staff to our related party, partially offset by a decrease in realised gains from changes in foreign exchange rates from RM550,000 to RM244,000 primarily as a result of a decrease in gains from fluctuations in the BND-RM foreign exchange rate arising from our operations in Brunei from RM450,000 in FYE 31 December 2017 to nil in FYE 31 December 2018.

Administrative expenses

Our administrative expenses increased by 58.4% from RM37.1 million in FYE 31 December 2017 to RM58.7 million in FYE 31 December 2018, primarily due to: (i) an increase in our employee benefits expenses from RM20.0 million to RM33.8 million as a result of an increase in managerial, administrative and corporate headquarters staff from 272 as at 31 December 2017 to 402 as at 31 December 2018 to support administrative and clerical functions required primarily for our existing and an anticipated increase in scale of our retail management, business development, marketing and distribution centre operations; and (ii) an increase in advertising expenses from RM4.5 million to RM7.1 million in connection with our opening of new stores.

Other operating expenses

Our other operating expenses increased by 40.7% from RM207.2 million in FYE 31 December 2017 to RM291.6 million in FYE 31 December 2018, primarily due to: (i) an increase in our employee benefits expenses from RM104.9 million to RM140.6 million as a result of an increase in our warehousing and store staff from 5,802 as at 31 December 2017 to 7,577 as at 31 December 2018 to facilitate the growth of our operations; (ii) an increase in our depreciation of right-of-use assets from RM51.6 million to RM72.7 million as a result of an increase in the number of leases we entered into; (iii) an increase in our depreciation of property, plant and equipment from RM20.0 million to RM30.9 million as a result of an increase in our fixed assets in our new stores; (iv) an increase in our utilities expenses from RM17.3 million to RM26.5 million; and (v) the incurrence of RM3.3 million in levy charges in FYE 31 December 2018 in respect of our non-Malaysian employees in Malaysia.

Profit from operations

Our profit from operations increased by 42.4% from RM300.2 million in FYE 31 December 2017 to RM427.4 million in FYE 31 December 2018 as a result of the reasons described above.

The following table sets out a breakdown of our profit from operations by geographical location for the years indicated.

	Malaysia	Brunei	Eliminations[2]	Total
	RM'000	RM'000	RM'000	RM'000
FYE 31 December 2017				
Profit from operations	293,624	6,773	(181)	300,216
Margin of profit from operations [1]	24.2%	40.9%		24.4%
FYE 31 December 2018				
Profit from operations	420,679	6,800	(98)	427,381
Margin of profit from operations [1]	24.0%	35.5%		24.1%

Notes:

(1) Computed based on profit from operations divided by revenue.

(2) Refers to adjustments to eliminate intercompany transactions between the Malaysia operations and Brunei operations of our Group in deriving the consolidated profit from operations of our Group.

Our profit from operations in Malaysia increased by 43.3% from RM293.6 million in FYE 31 December 2017 to RM420.7 million in FYE 31 December 2018, while our margin in respect of profit from operations in Malaysia remained stable at 24.2% and 24.0% for FYE 31 December 2017 and 2018, respectively.

Our profit from operations in Brunei remained stable at RM6.8 million in FYE 31 December 2017 and 2018 and our margin in respect of profit from operations in Brunei decreased from 40.9% in FYE 31 December 2017 to 35.5% in FYE 31 December 2018.

Finance costs

Our finance costs increased by 43.4% from RM21.0 million in FYE 31 December 2017 to RM30.1 million in FYE 31 December 2018, primarily due to an increase in interest expense on our lease liabilities from RM19.2 million to RM27.6 million as a result of an increase in the number of leases we entered into.

Share of profit of an associate

Our share of profit of an associate increased by 78.7% from RM675,000 in FYE 31 December 2017 to RM1.2 million in FYE 31 December 2018, primarily due to an increase in distributable profits in our associate, Qube.

PBT and PBT margin

Our PBT increased by 42.4% from RM279.9 million in FYE 31 December 2017 to RM398.5 million in FYE 31 December 2018 as a result of an increase in our revenue which was primarily a result of the expansion of our store network in Malaysia, an increase in the number of transactions and an increase in the average value of transactions at our stores in Malaysia as described above.

Our PBT margin remained generally consistent in FYE 31 December 2017 and 2018 at 22.8% and 22.5%, respectively, as a result of a similar rate of change in our revenue and expenses during the financial year.

Income tax expense

Our income tax expense increased by 29.0% from RM69.9 million in FYE 31 December 2017 to RM90.1 million in FYE 31 December 2018, primarily due to an increase in our PBT, partially offset by: (i) over-provision of income tax expense in prior years of RM4.6 million recognised in FYE 31 December 2018 compared to over-provision of income tax expense in prior years of RM158,000 recognised in FYE 31 December 2017; and (ii) lower income tax rates as a result of tax incentives granted by the Ministry of Finance of Malaysia for incremental chargeable income from business sources.

Net profit for the financial year

As a result of the foregoing, our net profit for the financial year increased by 46.8% from RM210.0 million in FYE 31 December 2017 to RM308.3 million in FYE 31 December 2018.

12.2.5 Liquidity and capital resources

Working capital

Our working capital is funded through cash generated from our operating activities, credit lines and borrowings from financial institutions as well as our existing cash and cash equivalents.

As at 30 June 2020, we had cash and cash equivalents of RM247.3 million and total bank borrowings of RM608.9 million. As at 30 June 2020, our working capital, calculated as the difference between our current assets of RM898.5 million and current liabilities of RM848.5 million, was RM50.0 million. As at the LPD, we had RM157.0 million in undrawn credit facilities comprising trade credit lines, revolving credit, term loan and overdraft facilities.

Based on the above and taking into consideration our funding requirements for our committed capital expenditure, expected cash flows from operations, our existing level of cash and cash equivalents and credit sources, our Board believes that we will have sufficient working capital for at least 12 months from the date of this Prospectus.

Cash flows

The following table summarises our consolidated statements of cash flows for FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2019 and 2020.

	FYE 31 December			FPE 30 June	
	2017	**2018**	**2019**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Net cash from operating activities	204,100	266,047	403,294	203,337	252,627
Net cash used in investing activities	(85,404)	(125,303)	(217,862)	(113,331)	(29,051)
Net cash (used in)/from financing activities	(65,154)	(179,263)	(110,881)	22,822	(101,798)
Net (decrease)/increase in cash and cash equivalents	**53,542**	**(38,519)**	**74,551**	**112,828**	**121,778**
Effects of exchange rate changes on cash and cash equivalents	(161)	(17)	(60)	(11)	109
Cash and cash equivalents at beginning of the financial year/period	36,040	89,421	50,885	50,885	125,376
Cash and cash equivalents at end of the financial year/period	**89,421**	**50,885**	**125,376**	**163,702**	**247,263**

Most of our cash and cash equivalents are held in RM. There are no legal, financial or economic restrictions on our subsidiaries' ability to transfer funds to our Company in the form of cash dividends, subject to the availability of distributable reserves, loans or advances in compliance with any applicable financial covenants.

In 2020 and 2021, we expect to incur approximately RM81.0 million and RM109.0 million, respectively, in capital expenditure and approximately RM113.0 million and RM135.0 million, respectively, for working capital, primarily for the roll out of new stores. From the LPD up to 31 December 2020, we expect to incur up to approximately RM29.0 million in capital expenditure and up to approximately RM38.0 million for working capital primarily for the roll out of new stores.

In FYE 31 December 2017, 2018 and 2019, we generated average net cash from operating activities of RM291.1 million per annum and an average adjusted net cash from operating activities of RM202.5 million per annum (calculated by adjusting for the payments of lease liabilities of our rentals which under MFRS 16 Leases are treated as financing activities), which together with financing facilities available to us, was more than sufficient to finance our purchases of property, plant and equipment which averaged RM103.2 million per annum over the aforesaid financial years.

In FPE 30 June 2020, we generated net cash from operating activities of RM252.6 million and an adjusted net cash from operating activities of RM187.8 million (calculated by adjusting for the payments of lease liabilities of our rentals which under MFRS 16 Leases are treated as financing activities), which was more than sufficient to finance our purchases of property, plant and equipment of RM30.7 million in the same financial period.

Based on the pro forma consolidated statements of financial position as at 30 June 2020 set out in Section 12.5 of this Prospectus, post IPO we expect to have cash and bank balances of RM50.6 million and, as at the LPD, we anticipate having available to us financing facilities in aggregate of RM157.0 million. Accordingly, we expect that our net cash from operating activities and adjusted net cash from operating activities (calculated by adjusting for the payments of lease liabilities of our rentals which under MFRS 16 Leases is treated as a financing activity) for FYE 31 December 2020 and 2021 to be higher than previous years, which, when considered together with our cash and bank balances position post-IPO and our borrowing capacity, should enable us to fund our store roll out plan as described above.

Net cash generated from operating activities

FPE 30 June 2020 compared to FPE 30 June 2019

Our net cash from operating activities was RM252.6 million in FPE 30 June 2020 compared to RM203.3 million in FPE 30 June 2019. Our net cash from operating activities increased primarily due to:

(i) a decrease in trade and other receivables of RM4.7 million in FPE 30 June 2020 as a result of a decrease in prepayments paid to our suppliers for our product orders compared to an increase in trade and other receivables of RM35.5 million in FPE 30 June 2019;

(ii) an increase in trade and other payables of RM16.9 million in FPE 30 June 2020 compared to an increase in trade and other payables of RM0.3 million in FPE 30 June 2019 to support the growth of our operations;

(iii) an increase in inventory of RM22.7 million in FPE 30 June 2020 compared to an increase in inventory of RM31.9 million in FPE 30 June 2019 to support the expansion of our store network; and

(iv) a decrease in income tax payments from RM45.3 million in FPE 30 June 2019 to RM27.2 million in FPE 30 June 2020 in line with a decrease in revenue in FPE 30 June 2020 as a result of being required to temporarily close our stores in FPE 30 June 2020 following the implementation of the MCO,

partially offset by a decrease in operating profit before changes in working capital from RM315.6 million in FPE 30 June 2019 to RM280.9 million in FPE 30 June 2020 as a result of being required to temporarily close our stores in FPE 30 June 2020 following the implementation of the MCO.

FYE 31 December 2019 compared to FYE 31 December 2018

Our net cash from operating activities was RM403.3 million in FYE 31 December 2019 compared to RM266.0 million in FYE 31 December 2018. Our net cash from operating activities increased primarily due to an increase in operating profit before changes in working capital from RM549.1 million in FYE 31 December 2018 to RM666.2 million in FYE 31 December 2019 as a result of an increase in sales and the expansion of our store network, and a decrease in net changes in working capital from RM189.3 million in FYE 31 December 2018 to RM151.7 million in FYE 31 December 2019.

This decrease in net changes in working capital was primarily due to an increase in inventory of RM109.4 million in FYE 31 December 2019 compared to an increase in inventory of RM181.9 million in FYE 31 December 2018 to support the expansion of our store network, partially offset by:

(i) an increase in trade and other receivables balances of RM40.6 million in FYE 31 December 2019 as a result of an increase in deposits paid to our landlords for our new stores and an increase in prepayments paid to our suppliers for our product orders compared to an increase in trade and other receivables of RM24.8 million in FYE 31 December 2018; and

(ii) a decrease in trade and other payables of RM1.7 million in FYE 31 December 2019 compared to an increase in trade and other payables of RM17.4 million in FYE 31 December 2018 to support the growth of our operations.

We paid RM111.6 million in income tax in FYE 31 December 2019.

<u>FYE 31 December 2018 compared to FYE 31 December 2017</u>

Our net cash from operating activities was RM266.0 million in FYE 31 December 2018 compared to RM204.1 million in FYE 31 December 2017. Our net cash from operating activities increased primarily due to an increase in operating profit before changes in working capital from RM381.1 million in FYE 31 December 2017 to RM549.1 million in FYE 31 December 2018 as a result of an increase in sales and the expansion of our store network, partially offset by an increase in net changes in working capital from RM105.7 million in FYE 31 December 2017 to RM189.3 million in FYE 31 December 2018.

This increase in net changes in working capital was primarily due to:

(i) an increase in inventory of RM181.9 million in FYE 31 December 2018 compared to an increase in inventory of RM104.1 million in FYE 31 December 2017 to support the expansion of our store network; and

(ii) an increase in trade and other receivables balances of RM24.8 million in FYE 31 December 2018 as a result of an increase in deposits paid to our landlords for our new stores and an increase in prepayments paid to our suppliers for our product orders compared to an increase in trade and other receivables of RM18.4 million in FYE 31 December 2017,

which was partially offset by a minor increase in trade and other payables of RM17.4 million in FYE 31 December 2018 compared to an increase in trade and other payables of RM16.7 million in FYE 31 December 2017.

We paid RM93.7 million in income tax in FYE 31 December 2018.

Net cash used in investing activities

<u>FPE 30 June 2020</u>

Our net cash used in investing activities was RM29.1 million in FPE 30 June 2020, primarily attributable to RM30.7 million, which was primarily spent on the development and fit-out of our new stores, partially offset by RM1.5 million in interest income received in respect of short term deposits placed with financial institutions and RM0.6 million in proceeds from the disposal of property, plant and equipment.

<u>FYE 31 December 2019</u>

Our net cash used in investing activities was RM217.9 million in FYE 31 December 2019, primarily attributable to:

(i) RM104.8 million spent on our acquisition of MD(B); and

(ii) RM115.1 million spent on the purchase of furniture, fittings, equipment, renovation costs, freehold land, capital work-in-progress and signboards in connection with the development of new stores and the development of the warehousing facilities in our distribution centre at Balakong, Seri Kembangan, Selangor, Malaysia,

partially offset by RM3.1 million in interest income received in respect of short term deposits placed with financial institutions.

FYE 31 December 2018

Our net cash used in investing activities was RM125.3 million in FYE 31 December 2018, primarily attributable to:

(i) RM124.0 million spent on the purchase of furniture, fittings, equipment, renovation costs, freehold land, capital work-in-progress and signboards in connection with the development of new stores and the development of the warehousing facilities in our distribution centre at Balakong, Seri Kembangan, Selangor, Malaysia, and the purchase of motor vehicles for our logistics and distribution network;

(ii) RM2.0 million in repayments by MD(B) owed to its former holding company; and

(iii) RM1.1 million spent on the purchase of intangible assets in respect of software for our operations,

partially offset by RM1.5 million in interest income received in respect of short term deposits placed with financial institutions.

FYE 31 December 2017

Our net cash used in investing activities was RM85.4 million in FYE 31 December 2017, primarily attributable to:

(i) RM70.5 million spent on the purchase of furniture, fittings, equipment, renovation costs, buildings and signboards in connection with the development of new stores, and the purchase of motor vehicles for our logistics and distribution network;

(ii) RM2.5 million in repayments to directors in respect of advances by such directors on behalf of our Company;

(iii) RM13.1 million spent on the acquisition of rights to subscribe for 9,500,000 ordinary shares, representing 95% of the equity interest, of our subsidiary, MDM; and

(iv) RM1.5 million spent on the acquisition of 30,000 ordinary shares, representing 30% of the equity interest, of our associate, Qube,

partially offset by: (a) RM1.1 million in interest income received in respect of short term deposits placed with financial institutions; (b) RM1.0 million in advances received from a related party; and (c) RM0.9 million in proceeds received from the disposal of property, plant and equipment.

Net cash used in financing activities

FPE 30 June 2020

Our net cash used in financing activities was RM101.8 million in FPE 30 June 2020, primarily attributable to:

(i) RM42.8 million in payments on our lease liabilities;

(ii) RM22.0 million in interest expenses on our lease liabilities in accordance with MFRS 16 Leases;

(iii) RM12.4 million in interest expenses in respect of our borrowings; and

(iv) RM135.0 million in repayment of revolving credit and term loans facilities,

partially offset by RM110.5 million in proceeds received from the drawdown on our revolving credit facilities.

FYE 31 December 2019

Our net cash used in financing activities was RM110.9 million in FYE 31 December 2019, primarily attributable to:

(i) RM501.7 million in dividend payments to our Company's shareholders;

(ii) RM78.4 million in payments on our lease liabilities;

(iii) RM37.4 million in interest expenses on our lease liabilities in accordance with MFRS 16 Leases;

(iv) RM24.7 million in interest expenses in respect of our borrowings; and

(v) RM60.0 million in repayment of revolving credit facilities and term loans;

partially offset by: (a) RM400.0 million in proceeds received from the drawdown on our term loan facilities; and (b) RM200.0 million in proceeds received from the drawdown on our revolving credit facilities.

FYE 31 December 2018

Our net cash used in financing activities was RM179.3 million in FYE 31 December 2018, primarily attributable to:

(i) RM133.0 million in dividend payments to our Company's shareholders;

(ii) RM61.2 million in payments on our lease liabilities;

(iii) RM27.6 million in interest expenses on our lease liabilities in accordance with MFRS 16 Leases;

(iv) RM1.8 million in interest expenses in respect of our borrowings; and

(v) RM10.6 million in the repayment of term loans,

partially offset by: (a) RM37.6 million in proceeds received from the drawdown on our revolving credit facilities; and (b) RM18.0 million in proceeds received from the drawdown on our term loan facilities.

FYE 31 December 2017

Our net cash used in financing activities was RM65.2 million in FYE 31 December 2017, primarily attributable to:

(i) RM42.3 million in payments on our lease liabilities;

(ii) RM19.2 million in interest expenses on our lease liabilities in accordance with MFRS 16 Leases;

(iii) RM1.4 million in interest expenses in respect of our borrowings; and

(iv) RM1.5 million in the repayment of term loans.

12.2.6 Borrowings

As at 30 June 2020, our total outstanding borrowings, all of which were interest bearing, amounted to RM608.9 million. The table below sets out a breakdown of the carrying amounts of our borrowings in our financial statements as at 30 June 2020.

	RM'000	Weighted average effective interest rate for FPE 30 June 2020
Non-current		
Secured hire purchase creditors	2,283	5.61%
Secured term loans	20,520	4.07%
Total non-current borrowings	**22,803**	
Current		
Secured bank overdraft	17,004	4.60%
Secured revolving credits	164,500	4.08%
Secured hire purchase creditors	348	5.61%
Secured term loans	404,197	4.07%
Total current borrowings	**586,049**	
Total borrowings	**608,852**	
Gearing ratio (times)(1)	1.34	
Net gearing ratio (times)(2)	0.74	

Notes:

(1) Gearing ratio is calculated based on our total borrowings divided by total equity of RM456.0 million as at 30 June 2020.

(2) Net gearing ratio is calculated based on our net borrowings (total borrowings less cash and bank balances) divided by total equity of RM456.0 million as at 30 June 2020.

As at 30 June 2020, our major borrowings comprised secured term loans and revolving credit facilities, which, in aggregate, accounted for 96.8% of our total borrowings. Under the terms of our major borrowings, we are generally required to use the proceeds from such borrowings for our working capital, capital expenditure and general corporate purposes.

Our secured borrowings are secured by legal charges over shares in certain of our subsidiaries, certain property, rental proceeds from certain property and certain of our bank accounts, and are guaranteed by certain members of our Group. Certain of such borrowings also contain minimum shareholdings covenants.

On 8 March 2019, 1 April 2019 and 15 April 2019, our Company and certain of our subsidiaries drew down on term loan and revolving credit facilities made available to us by CIMB Bank Berhad, Malayan Banking Berhad and RHB Bank Berhad (the "**TL/RC Facility**"). The aggregate principal amounts made available to us under the TL/RC Facility were RM400.0 million in term loan facilities and RM200.0 million in revolving credit facilities. The term loan facilities mature on 8 March 2021 but are required to be prepaid upon completion of the IPO. Effective upon such prepayment of the term loan, the revolving credit facilities will not have a fixed maturity date but will be subject to periodic review of the relevant lenders. The TL/RC Facility is guaranteed by our Company and our subsidiaries and are secured by, among other things, our Company's rights to distributions from our subsidiaries, the proceeds from insurance claims resulting from damage to our property and inventory and certain designated bank accounts. The TL/RC Facility imposes customary covenants limiting, among other things, our ability to incur additional indebtedness (other than certain indebtedness which are permitted, such as our existing loan facilities and trade credit extended in the ordinary couse of business), encumber our assets and acquire or dispose of assets, and also contains provisions requiring certain directors of our Company hold a minimum shareholding in our Company. The proceeds of the TL/RC Facility will be used for our working capital, our general corporate purposes and to finance our capital expenditure. As of 30 June 2020, our Group has fully drawn down on the term loan facilities and partially drawn down on the revolving credit facilities under the TL/RC Facility to finance the capital expenditure, working capital requirements, and general corporate purposes of our Group, including the partial distribution of dividends and part financing of the acquisition of MD(B).

As at 30 June 2020, all of our borrowings are denominated in RM. The carrying amounts of our borrowings and their remaining maturities as well as breakdown between those borrowings at fixed rates and floating rates are set out in Note 2.16(d) in the Accountants' Report included in Section 13 of this Prospectus.

The following table sets out the maturity profile of our borrowings as at 30 June 2020.

	On demand or within one year	**One to five years**	**Over five years**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Bank overdraft	17,004	-	-	17,004
Revolving credit facilities	164,500	-	-	164,500
Hire purchase creditors	348	1,729	554	2,631
Term loans	404,197	13,315	7,205	424,717
Total	**586,049**	**15,044**	**7,759**	**608,852**

On 6 July 2020 and 8 July 2020, we repaid RM20.0 million and RM35.0 million, respectively, of our revolving credit facilities with internally-generated funds.

We intend to partially repay our term loans under the TL/RC Facility with the proceeds that we expect to receive from our Public Issue. For further details, see Section 4.6.1 of this Prospectus. We intend to repay the remaining outstanding amount of our term loans under the TL/RC Facility with internally-generated funds.

We have not been in default on payments of either interest or principal for any of our borrowings during FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020 and for the period up to the LPD. As at the LPD, we are not in breach of the terms and conditions or covenants under our credit arrangements or bank loans which would materially affect our financial position and results of operations or the investments in our Shares.

12.2.7 Capital expenditure and material investments and divestitures

Capital expenditure

The table below sets out a breakdown of our capital expenditure for the years/periods indicated.

	FYE 31 December			FPE 30 June	
	2017	2018	2019	2019	2020
	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land	222	20,340	19,043	19,043	-
Buildings	8,000	-	-	-	-
Furniture, fittings and equipment	42,259	64,243	58,701	21,613	23,810
Motor vehicles	4,881	6,925	4,287	1,064	2,025
Renovations	21,230	22,082	21,270	8,529	8,020
Signboards	5,940	7,664	7,028	3,549	1,927
Capital work-in-progress	-	13,687	18,076	6,822	838
Intangible assets	925	1,298	2,258	873	784
Total	**83,457**	**136,239**	**130,663**	**61,493**	**37,404**

The majority of our capital expenditures were incurred in connection with the setting up or renovation of our stores, including the purchase of equipment for our stores. Our capital expenditure in respect of furniture, fittings and equipment increased by 10.2% from RM21.6 million in FPE 30 June 2019 to RM23.8 million in FPE 30 June 2020 primarily due to the purchase of machinery and equipment for our warehousing facilities in FPE 30 June 2020. Our capital expenditure in respect of signboards decreased by 45.7% from RM3.5 million in FPE 30 June 2019 to RM1.9 million in FPE 30 June 2020 primarily due to fewer new store openings in FPE 30 June 2020 as compared to FPE 30 June 2019 and our capital work-in-progress decreased by 87.7% from RM6.8 million in FPE 30 June 2019 to RM0.8 million in FPE 30 June 2020 primarily due to completion of the construction and development of our warehousing facility, Facility H.

In January 2019, we incurred capital expenditure of RM19.0 million to acquire freehold land for the purpose of establish our warehousing facility, Facility I. For further details, see Section 7.10.2 of this Prospectus.

We expect to meet our capital expenditure requirements through our internally-generated funds (which includes our cash and cash equivalents on hand and cash generated from future operations) and bank borrowings.

Material investments and divestitures

Save as disclosed in Sections 12.2.7 and 14.6 of this Prospectus, we have not undertaken any material investments or divestitures during FYE 31 December 2017, 2018 and 2019, FPE 30 June 2020 and from 1 July 2020 up to the LPD.

12.2.8 Capital commitments

The following table sets out a summary of our capital commitments (being our capital expenditure commitments) as at 30 June 2020 and as at the LPD.

	As at 30 June 2020	As at the LPD
	RM'000	RM'000
Capital expenditure commitments:		
Approved but not contracted for	55,474	35,514
Contracted but not provided for	51,792	67,812
Total	**107,266**	**103,326**

Our approved but not contracted for capital expenditure commitments as at the LPD comprises capital expenditure in respect of our new stores.

Our contracted but not provided for capital expenditure commitments as at the LPD comprise primarily of (i) RM36.7 million in costs relating to the installation of automation systems for our warehousing facility, Facility I; (ii) RM12.6 million (of which a cash deposit of RM1.3 million has been paid as at 7 September 2020) in costs to acquire a plot of leasehold land located in Balakong, Seri Kembangan, Selangor, Malaysia (Property 1) pursuant to an agreement we entered into on 14 September 2020 (a summary of the terms of the agreement is set out in Section 14.6.8 of this Prospectus); and (iii) RM17.8 million (of which a cash deposit of RM1.8 million has been paid as at the LPD) in costs to acquire a plot of freehold land together with a warehouse building located in Balakong, Seri Kembangan, Selangor, Malaysia (Property 2) pursuant to an agreement we entered into on 5 August 2020 (a summary of the terms of the agreement is set out in Section 14.6.7 of this Prospectus). We intend to develop both Property 1 and Property 2 to expand our warehousing facilities. As at the LPD, our acquisitions of both Property 1 and Property 2 have not yet completed and we have not incurred any costs in respect of the construction and development of these plots of land.

We plan to meet our capital expenditure commitments through our cash and cash equivalents on hand, as well as cash generated from future operations and funding from other financing activities (if required).

Save as disclosed above, as at the LPD, we do not have any other material capital commitments (being our capital expenditure commitments) incurred or known to be incurred by us that have not been provided for which, upon becoming enforceable, may have a material impact on our financial results.

12.2.9 Other contractual obligations

Our contractual cash obligations (excluding capital expenditure commitments) as at 30 June 2020 comprise primarily of repayment obligations under our leases and in respect of our borrowings.

The following table sets out the maturity profile of our contractual cash repayment obligations under our leases as at 30 June 2020.

	As at 30 June 2020
Payments due by period	**RM'000**
Not later than one year	143,729
Later than one year and not later than five years	523,731
Later than five years	288,665
Total	**956,125**

The following table sets out the maturity profile of our contractual cash repayment obligations in respect of our borrowings as at 30 June 2020.

	As at 30 June 2020
Payments due by period	**RM'000**
Not later than one year	602,426
Later than one year and not later than five years	17,702
Later than five years	8,795
Total	**628,923**

We plan to meet our contractual cash obligations through our cash and cash equivalents on hand, as well as cash generated from future operations and funding from other financing activities (if required).

12.2.10 Material litigation, claims and arbitration

As at the LPD, we are not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings, which may have a material or significant effect on our financial position or profitability in the 12 months immediately following the date of this Prospectus.

12.2.11 Contingent liabilities

As at the LPD, we do not have any other contingent liabilities which, upon becoming enforceable, may have a material adverse impact on our results of operations or financial position.

12.2.12 Key financial ratios

The following table sets out our key financial ratios for the years/period indicated.

	FYE 31 December			FPE 30 June
	2017	2018	2019	2020
Trade payables turnover(1) (days)	4	5	6	10
Trade receivables turnover(2) (days)	0	0	0	1
Inventory turnover(3) (days)	111	124	127	152
Current ratio(4) (times)	1.70	1.79	3.41	1.06
Gearing ratio(5) (times)	0.09	0.18	1.83	1.34
Net gearing ratio(6) (times)	*N/A	0.05	1.42	0.74

Notes:

(1) Computed based on the average of trade payables as at the beginning and end of the year/period divided by the cost of sales for the year/period multiplied by 365 days for FYE 31 December 2017, 2018 and 2019 figures and 182 days for FPE 30 June 2020.

(2) Computed based on the average of trade receivables as at the beginning and end of the year/period divided by revenue for the year/period multiplied by 365 days for FYE 31 December 2017, 2018 and 2019 figures and 182 days for FPE 30 June 2020. Our trade receivables turnover period was less than a day in each of FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020.

(3) Computed based on the average of inventory as at the beginning and end of the year/period divided by cost of sales for the year/period multiplied by 365 days for FYE 31 December 2017, 2018 and 2019 figures and 182 days for FPE 30 June 2020.

(4) Computed based on current assets divided by current liabilities as at the end of the year/period.

(5) Computed based on total borrowings divided by total equity as at the end of the year/period.

(6) Computed based on net borrowings (total borrowings less cash and bank balances) divided by total equity as at the end of the year/period.

* Net gearing ratio is not applicable as our Group was in a net cash position.

Trade payables turnover period

Our trade payables relate to transactions with third party suppliers. The credit period typically granted to our Group by our suppliers ranges between 14 days to 60 days.

Our trade payables turnover period has been generally consistent in FYE 31 December 2017, 2018 and 2019 at four days, five days and six days, respectively. Our trade payables turnover period increased to ten days in FPE 30 June 2020, which remains within the credit period granted to us by our suppliers of 14 to 60 days.

Ageing analysis

The table below sets out the ageing analysis for our total trade payables as at 30 June 2020.

		Past due			
As at 30 June 2020:	**Current**	**1 – 30 days**	**31 – 120 days**	**More than 120 days**	**Total**
Trade payables (RM'000)	42,452	1,864	-	-	44,316
% of total trade payables (%)	95.8	4.2	0.0	0.0	100.0
As at the LPD:					
Trade payables settled (RM'000)	41,385	1,863	-	-	43,248
Trade payables settled (% of total trade payables)	93.4	4.2	0.0	0.0	97.6
Trade payables outstanding (RM'000)	1,067	1.0	0.0	0.0	1,068

We endeavour to pay our suppliers within the credit periods granted to us to ensure our supplies are not disrupted. As at the LPD, we do not have any material disputes in respect of our trade payables and no material legal proceedings to demand for payment have been initiated by our suppliers against us.

Trade receivables turnover period

Almost all of our revenue is generated from our stores where our transactions with customers are settled immediately in cash, through financial institutions providing retail credit services such as credit cards, or through third party online payment channels. Our trade receivables are from financial institutions which provide our customers with retail credit services typically release payment to us within two days from the point of sale.

Our trade receivables turnover period has been maintained at less than a day in FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020. As at 30 June 2020, we had RM4.5 million in trade receivables outstanding, which comprised primarily of amounts owed to us by financial institutions providing retail credit services to our customers and amounts owed to us by our related party, Mr. D.I.Y. Trading (Singapore) Pte Ltd, in respect of goods sold to it. We typically extend a credit term of up to 30 days to Mr. D.I.Y. Trading (Singapore) Pte Ltd.

Ageing analysis

The table below sets out the ageing analysis for our trade receivables as at 30 June 2020.

		Past due			
As at 30 June 2020:	**Current**	**1 – 30 days**	**31 – 120 days**	**More than 120 days**	**Total**
Trade receivables (RM'000)	4,515	-	-	-	4,515
% of total trade receivables (%)	100.0	0.0	0.0	0.0	100.0
As at the LPD:					
Trade receivables settled (RM'000)	4,515	-	-	-	4,515
Trade receivables settled (% of total trade receivables)	100.0	0.0	0.0	0.0	100.0
Trade receivables outstanding (RM'000)	-	-	-	-	-

We do not have any significant exposure to any individual customer which we believe is not recoverable.

Inventory turnover period

The table below sets out a summary breakdown of our inventories for the years/periods indicated.

	FYE 31 December			FPE 30 June
	2017	**2018**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Opening inventory	161,122	256,248	419,312	496,646
Closing inventory	256,248	419,312	496,646	508,995
Cost of goods sold	687,210	997,227	1,311,894	602,707
Inventory turnover[1] (days)	111	124	127	152

Note:

(1) Computed based on the average of inventory as at the beginning and end of the year/period divided by cost of sales for the year/period multiplied by 365 days for FYE 31 December 2017, 2018 and 2019 figures and 182 days for FPE 30 June 2020.

We sell an extensive range of products. We continually review our product mix in order to respond to the changing demands of our customers and to maintain our competitive advantage and may therefore vary our inventory requirements and composition from time to time.

Our inventory turnover period increased from 111 days for FYE 31 December 2017 to 124 days for FYE 31 December 2018, 127 days for FYE 31 December 2019 and 152 days for FPE 30 June 2020 primarily due to (i) an increase in our stock levels to ensure we have sufficient stock to support the growth of our business and anticipated increases in sales; and (ii) a decrease in sales at our stores in FPE 30 June 2020 as a result of having to temporarily cease the operations of a number of our stores in Malaysia during the MCO.

Current ratio

Our current ratio increased from 1.70 times as at 31 December 2017 to 1.79 times as at 31 December 2018, primarily due to an increase in our inventories as a result of holding more stock to support the growth of our business and an increase in our trade and other receivables, partially offset by a decrease in our cash and bank balances.

Our current ratio increased from 1.79 times as at 31 December 2018 to 3.41 times as at 31 December 2019, primarily due to an increase in our inventories as a result of holding more stock to support the growth of our business, an increase in trade and other receivables as a result of an increase in our advance payments to suppliers to support the increase in our requirement for inventory as part of the growth of our business, an increase in cash and bank balances and a decrease in our trade and other payables and our current borrowings.

Our current ratio decreased from 3.41 times as at 31 December 2019 to 1.06 times as at 30 June 2020, primarily due to an increase in current borrowings and our trade and other payables, partially offset by an increase in our inventories.

Gearing ratio

Our gearing ratio increased from 0.09 times as at 31 December 2017 to 0.18 times as at 31 December 2018, primarily due to an increase in our borrowings in respect of bank overdraft, revolving credit and term loan facilities in FYE 31 December 2018.

Our gearing ratio increased from 0.18 times as at 31 December 2018 to 1.83 times as at 31 December 2019, primarily due to an increase in our borrowings in respect of revolving credit and term loan facilities in FYE 31 December 2019.

Our gearing ratio decreased from 3.79 times as at 30 June 2019 to 1.34 times as at 30 June 2020, primarily due to an increase in our total equity, as a result of an increase in our retained earnings and a decrease in our borrowings in FPE 30 June 2020.

12.2.13 Off-balance sheet arrangements

We did not have any off balance sheet arrangements during FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020.

12.2.14 Financial risk management

We are exposed to certain financial risks arising from our operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. We do not undertake derivative or hedging transactions to manage any of our market risks.

Our Board has overall responsibility for the oversight of financial risk management, including the identification of operational and strategic risks, and subsequent action plans to manage these risks. Our management is responsible for identifying, monitoring and managing our risk exposures.

Our key financial risks are as follows.

Credit risk

Credit risk is the risk of a financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations. As substantially all of our transactions are settled immediately on a cash basis, our credit risk is minimal. We do not have any significant exposure to any individual customer or counterparty nor do we have any major concentration of credit risk related to any financial instruments. Our receivables are primarily amounts due from our related party, financial institutions providing retail credit services, such as credit cards, or third party online payment channels. Our receivable balances are monitored on an ongoing basis and our exposure to bad debt is not significant.

Liquidity risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they fall due. Our exposure to liquidity risk arises principally from our various payables, loans and borrowings.

We measure and forecast our cash commitments and maintain a level of cash and cash equivalents and bank facilities deemed adequate by our management to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities as they fall due.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect our financial position or cash flows.

Foreign currency risk

Our foreign currency risk arises primarily as a substantial number of our end suppliers are located outside of Malaysia. We are exposed to fluctuations in the foreign exchange rate between RM and RMB and USD as a significant portion of our products are manufactured in or sourced from China.

We have limited exposure to foreign currency risks on our trade and other receivables. The currencies giving rise to this risk during FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020 are primarily BND, USD and SGD. For more details, see Note 2.31 in the Accountants' Report set out in Section 13 of this Prospectus.

We do not enter into any hedging activities.

Interest rate risk

Our interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose us to cash flow interest rate risk. Borrowings obtained at fixed rates expose us to fair value interest rate risk.

As at 30 June 2020, our exposure to interest rate risks arise primarily from floating rate financial instruments in an aggregate amount of RM606.2 million, representing 99.6% of our total borrowings as at that date.

The table below sets out how a 50 basis point increase or decrease in interest rates would affect our profit or loss for the financial year/period, assuming that all other variables, in particular, foreign currency rates, remain constant.

	Increase/(Decrease) in net profit for the financial year/period				
	FYE 31 December			**FPE 30 June**	
	2017	**2018**	**2019**	**2019**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Interest rates increase by 50 basis points	(109)	(340)	(2,359)	(2,545)	(2,304)
Interest rates decrease by 50 basis points	109	340	2,359	2,545	2,304

12.2.15 Treasury policy and objectives

Sales proceeds from each of our stores are banked-in daily and monitored by our store level managers, our internal audit team and our head office. We rely on daily sales proceeds and as well as trade lines (namely revolving credit facilities) from banking institutions as part of our day-to-day treasury policy to enable us to ensure we are able to make timely payments to our creditors.

As at 30 June 2020, our cash and bank balances were held in the following currencies:

Currency	**'000**	**Currency**	**'000**
RM	261,746	HKD	2
BND	10,254	VND	12
USD	230	EUR	2
RMB	2	SGD	192
PHP	18	INR	8

12.2.16 Inflation

Inflation has not had a material impact on our business, financial condition or results of operations in FYE 31 December 2017, 2018 and 2019 and FPE 30 June 2020. However, inflation may affect our financial performance by increasing certain of our expenses, such as expenses relating to employee benefits. Any increase in the inflation rate beyond levels experienced in the past may affect our operations and financial performance if we are unable to fully offset higher costs through increased revenue.

12.2.17 Government / economic / fiscal / monetary policies

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 5.3.1 of this Prospectus.

12.2.18 Order book

Due to the nature of our business, we do not maintain an order book.

12.2.19 Trends information

Save as disclosed in this section and in Sections 5, 7 and 8 of this Prospectus, to the best of our Board's knowledge and belief, there are no other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our financial condition and results of operations.

12.2.20 Significant changes

Save as disclosed, no significant changes have occurred since 30 June 2020 which may have a material effect on the financial position and results of our Group.

12.2.21 Accounting standards issued that are not yet effective

For a description of accounting standards issued but not yet effective and not early adopted, see Note 2.33.3 of the Accountants' Report included in Section 13 of this Prospectus.

12.3 CAPITALISATION AND INDEBTEDNESS

The table below sets out our capitalisation and indebtedness as at 31 August 2020 and on the assumption that our IPO, Listing, the use of proceeds from our Public Issue and the use of our internally generated funds to repay the RM400.0 million outstanding amount of our term loan as set out in Section 4.6 of this Prospectus had occurred on 31 August 2020. The pro forma financial information below does not represent our actual capitalisation and indebtedness as at 31 August 2020 and is provided for illustrative purposes only.

	Unaudited	As adjusted
	As at 31 August 2020	After our IPO, Listing and Use of Proceeds and repayment of bank borrowings
	RM'000	RM'000
Borrowings		
Current		
Secured bank overdraft	20,450	20,450
Secured revolving credits	109,500	109,500
Secured hire purchase creditors	442	442
Secured term loans	404,367	4,367
Non-current		
Secured hire purchase creditors	2,302	2,302
Secured term loans	19,776	19,776
Total borrowings	556,837	156,837
Current		
Lease liabilities	115,997	115,997
Non-current		
Lease liabilities	682,694	682,694
Total indebtedness	1,355,528	955,528
Total equity/capitalisation	489,054	(1) 772,357
Total capitalisation and indebtedness	**1,844,582**	**1,727,885**

Note:

(1) Calculated after taking into account the Share Issuance, our IPO based on the Retail Price and the estimated listing expenses.

12.4 DIVIDEND POLICY

We have declared and paid a total of RM133.0 million and RM501.7 million in dividends to our shareholders for FYE 31 December 2018 and 2019, respectively, and on 30 July 2020, we declared and paid a dividend of RM50.0 million for FYE 31 December 2020. Save for the above, since 1 July 2020 up to the LPD, we have not declared any dividends.

No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

As our Company is a holding company, our income and therefore, our ability to pay dividends is dependent upon the dividends that we receive from our subsidiaries and associated company. Distributions by our subsidiaries and associated company will depend upon their operating results, earnings, capital requirements, general financial condition and other relevant factors such as exchange controls.

We target a payout ratio of at least 40.0% of our net profit attributable to the owners of the Company for each financial year on a consolidated basis after taking into account working capital, maintenance capital and committed capital requirements of our Group. The declaration and payments of any dividend is subject to the confirmation of our Board as well as any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

Save for certain banking restrictive covenants which our Company and our subsidiaries are subject to, there are no dividend restrictions imposed on our subsidiaries as at the LPD.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our Company's future dividends which are subject to modification (including non-declaration thereof) at our Board's discretion. We cannot assure you that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from historical dividend levels. See Section 5 of this Prospectus for the factors which may affect or restrict our ability to pay dividends.

12.5 REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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Malaysia

The Board of Directors
Mr D.I.Y. Group (M) Berhad
Lot 1907, Jalan KPB 11,
Kawasan Perindustrian Balakong,
43300 Seri Kembangan,
Selangor.

Date: 23 September 2020

Our ref: BDO/SCT/TKP

Dear Sirs

MR D.I.Y. GROUP (M) BERHAD ("MDGM" or "The Company") AND ITS SUBSIDIARIES (collectively "the Group")
REPORT ON COMPILATION OF THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION INCLUDED IN A PROSPECTUS ("THIS REPORT")

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statements of financial position of the Group as at 30 June 2020 ("Pro Forma Consolidated Statements of Financial Position"). The Pro Forma Consolidated Statements of Financial Position together with the accompanying notes thereon, for which we have stamped for the purpose of identification, have been compiled by the Board of Directors of the Company ("Board of Directors") for inclusion in the prospectus of the Company ("the Prospectus") in connection with the listing of and quotation for the entire ordinary shares in the Company on the Main Market of Bursa Malaysia Securities Berhad.

The applicable criteria on the basis of which the Board of Directors has compiled the Pro Forma Consolidated Statements of Financial Position are described in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position and are specified in paragraphs 9.18 and 9.20 of Chapter 9, Part II Division 1: Equity of the Prospectus Guidelines issued by Securities Commission Malaysia ("Prospectus Guidelines").

The Pro Forma Consolidated Statements of Financial Position have been compiled by the Board of Directors to illustrate the impact of the transactions as set out in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position on the Group's financial position as at 30 June 2020 had the transactions been effected on 30 June 2020. As part of this process, information about the financial position of the Group has been extracted by the Board of Directors from the Group's audited consolidated statement of financial position as at 30 June 2020.

Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Board of Directors is responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis as described in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

Our Independence and Quality Control

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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Our Independence and Quality Control (continued)

The firm applies International Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, by the Board of Directors on the basis described in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position.

We conducted our engagement in accordance with International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagement to Report on the Compilation of the Pro Forma Financial Information Included in a Prospectus,* issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis set out in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position. In providing this opinion, we do not accept any responsibility for such reports or opinions beyond that owed to those to whom those reports or opinion were addressed by us at the dates of their issue.

The purpose for inclusion of the Pro Forma Consolidated Statements of Financial Position in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at that date would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provides a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted consolidated financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled and other relevant engagement circumstances.

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Reporting Accountants' Responsibility (continued)

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis set out in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

Other Matters

This report has been prepared solely for the purpose stated above, in connection with the listing of and quotation for the entire ordinary shares in the Company on the Main Market of Bursa Malaysia Securities Berhad. As such, this Report should not be used for any other purpose without our prior written consent. Neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any party in respect of this Report contrary to the aforesaid purpose.

Yours faithfully,

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BDO PLT	**Tang Seng Choon**
LLP0018825-LCA & AF 0206	02011/12/2021 J
Chartered Accountants	Chartered Accountant

1. INTRODUCTION AND BASIS OF PREPARATION

1.1 INTRODUCTION

The Pro Forma Consolidated Statements of Financial Position of Mr D.I.Y. Group (M) Berhad ("Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2020 ("Pro Forma Consolidated SOFP") together with the notes thereon, for which the Directors of the Company are solely responsible, have been prepared for illustrative purposes only for the purpose of inclusion in the prospectus in connection with the listing of and quotation for the entire ordinary shares in the Company on the Main Market of Bursa Malaysia Securities Berhad ("Listing").

1.2 BASIS OF PREPARATION

The Pro Forma Consolidated SOFP have been prepared based on the audited consolidated statement of financial position of the Group as at 30 June 2020, which were prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), and in a manner consistent with the format of financial statements and accounting policies of the Group.

The Pro Forma Consolidated SOFP have been prepared for illustrative purposes only to show the effects of the transactions as set out in Note 2 on the audited consolidated statement of financial position of the Group as at 30 June 2020 had the transactions been effected on 30 June 2020, and should be read in conjunction with the notes thereon. Due to its nature, the Pro Forma Consolidated SOFP is not necessarily indicative of the financial position of the Group that would have been attained had the effects of the transactions as set out in Note 2 actually occurred at the respective dates. Further, such information does not purport to predict the future financial position of the Group.

The audit report on the audited consolidated financial statements of the Group for the financial period ended 30 June 2020 used in the preparation of the Pro Forma Consolidated SOFP was not subject to any audit qualification.

2. LISTING SCHEME

The Pre-IPO Exercise, Other Material Transactions and Listing Exercise as disclosed in Notes 2.1, 2.2 and 2.3 are included in the Pro Forma Consolidated SOFP to show the effects of the transactions on the audited consolidated statement of financial position of the Group as at 30 June 2020 had the transactions been effected on 30 June 2020 in accordance with the Prospectus Guidelines issued by the Securities Commission Malaysia.

2.1 Pre-IPO Exercise

2.1.1 Share Issuance

On 23 September 2020, the Company issued and allotted 60,872,000 new ordinary shares in the Company to the shareholders of the Company (except for Mr D.I.Y. Holdings (M) Sdn. Bhd. ("MDHM")) and the shareholders of MDHM and/or their investment holding companies at a total consideration of RM100,000 ("Share Issuance") to facilitate the re-organisation of the shareholding structure whereby the interests in the Company are held directly by the shareholders of MDHM and/or their investment holding companies. Upon completion of the Share Issuance, the total number of ordinary shares increased from 10,000 to 60,882,000 shares.

2.1.2 Subdivision

Upon completion of the Share Issuance, the Company had carried out a subdivision of 1 existing ordinary share in the Company to 100 new ordinary shares in the Company ("Subdivision") on 23 September 2020. Upon completion of the Subdivision, the total number of ordinary shares in the Company increased to 6,088,200,000 shares. The Subdivision does not have any impact to the Pro Forma Consolidated SOFP.

2. LISTING SCHEME (continued)

2.2 Other Material Transactions

2.2.1 Term loan facility and revolving credit facility

On 4 March 2019, the Group had obtained a term loan facility and revolving credit facility with a facility limit of RM400 million and RM200 million respectively (collectively referred as the "Bank Facilities").

The tenure of the Bank Facilities is two (2) years after the first utilisation date and matures in March 2021 but is required to be prepaid upon completion of the initial public offering ("IPO") as set out in Note 2.3.

The Group had fully drawn down the Bank Facilities by tranches to finance the capital expenditure, working capital requirements and general corporate purposes of the Group, including partial distribution of dividends and part financing of the acquisition of Mr. D.I.Y. (B) Sdn. Bhd.. As at 30 June 2020, the Group had made net repayments of RM55,500,000 in respect of the outstanding revolving credit of the Bank Facilities. The full draw down of the Bank Facilities and the net repayments of RM55,500,000 in respect of the outstanding revolving credit of the Bank Facilities were recorded in the statement of financial position of the Group as at 30 June 2020.

Subsequent to the financial period ended 30 June 2020, the Group had made repayments of RM35,000,000 in respect of the outstanding revolving credit of the Bank Facilities as well as repayments of RM20,000,000 in respect of other outstanding revolving credits. These repayments are illustrated in the Pro Forma Consolidated SOFP to show the effects of these transactions had these transactions been effected on 30 June 2020.

2.2.2 Distribution of dividend

The Company had distributed and paid dividend of RM50,000,000 to its existing shareholders on 30 July 2020. The distribution and payment of the abovementioned dividend are illustrated in the Pro Forma Consolidated SOFP to show the effects of this transaction had this transaction been effected on 30 June 2020.

2.3 Listing Exercise

In conjunction with the Listing, the Company will undertake an IPO comprising public issue of 188,400,000 new ordinary shares in the Company ("Public Issue") and offer for sale of 753,090,000 existing ordinary shares in the Company ("Offer for Sale") at an indicative IPO price of RM1.60 per share.

Upon completion of the IPO, the Company will seek admission into the Official List of Bursa Malaysia Securities Berhad and the entire issued share capital of RM294,949,902 comprising 6,276,600,000 ordinary shares in the Company will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

Utilisation of proceeds

The proceeds from the Public Issue of RM301,440,000 are expected to be utilised as follows:

	Estimated timeframe for use from the date of Listing	RM'000	Percentage of gross proceeds
Repayments of bank borrowings	Within 6 months	276,140	91.6%
Estimated listing expenses	Within 6 months	25,300	8.4%
		301,440	100.0%

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2. LISTING SCHEME (continued)

2.3 Listing Exercise (continued)

The Group intends to use RM276,140,000 from the proceeds from the Public Issue to partially repay the abovementioned RM400 million term loan facility as set out in Note 2.2.1. The balance of the term loan facility of RM123,860,000 is intended to be fully settled at the same time as the repayment of the term loan from the proceeds of the Public Issue, using internally generated funds of the Group.

The estimated listing expenses totalling RM25,300,000 to be borne by the Company comprise underwriting fees, placement fees, brokerage fees, regulatory fees, professional fees and miscellaneous expenses relating to the Public Issue and the Listing, of which RM6,917,000 had been incurred and charged to the profit or loss of the Group as of 30 June 2020. A total of RM8,560,000 of the estimated listing expenses is assumed to be directly attributable to the Public Issue and as such, will be debited against the share capital of the Company and the remaining expenses of RM9,823,000 is expensed off to the profit or loss.

2.4 Employees' Share Option Scheme ("ESOS")

In conjunction with the Listing, the Company will establish the ESOS, which involves the granting of ESOS options to the eligible directors and employees of the Group. The maximum number of shares to be issued under the ESOS shall be up to five percent (5%) of the issued ordinary shares in the Company (excluding treasury shares, if any) at any one time during the duration of the ESOS.

The ESOS shall be administered by the Nomination and Remuneration Committee appointed by the Board of Directors of the Company and governed by the By-Laws.

The ESOS is not illustrated in the Pro Forma Consolidated SOFP as the ESOS options under the ESOS have yet to be granted as of the date of this report.

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3. **PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020**

The Pro Forma Consolidated SOFP have been prepared for illustrative purposes only to show the effects on the audited consolidated statement of financial position of the Group as at 30 June 2020 based on the assumptions that the transactions set out in Note 2 had been effected on that date, and should be read in conjunction with the notes thereon.

	Note	Audited		Pro Forma I		Pro Forma II
		Consolidated SOFP as at 30 June 2020 RM'000	Adjustments for Pre-IPO Exercise and Other Material Transactions RM'000	After Pre-IPO Exercise and Other Material Transactions RM'000	Adjustments for Listing Exercise RM'000	After Pro Forma I and Listing Exercise RM'000
ASSETS						
Non-current assets						
Property, plant and equipment		365,529	-	365,529	-	365,529
Intangible assets		3,978	-	3,978	-	3,978
Right-of-use assets		744,681	-	744,681	-	744,681
Investment in an associate		5,722	-	5,722	-	5,722
Deferred tax assets		12,894	-	12,894	-	12,894
		1,132,804	-	1,132,804	-	1,132,804
Current assets						
Inventories		508,995	-	508,995	-	508,995
Trade and other receivables		117,069	-	117,069	-	117,069
Cash and bank balances	3.2.1	272,466	(104,900)	167,566	(116,943)	50,623
		898,530	(104,900)	793,630	(116,943)	676,687
TOTAL ASSETS		2,031,334	(104,900)	1,926,434	(116,943)	1,809,491
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	3.2.3	1,970	100	2,070	292,880	294,950
Merger reserve	3.2.3	(117,450)	-	(117,450)	-	(117,450)
Foreign currency translation reserve	3.2.3	163	-	163	-	163
Retained earnings	3.2.3	571,338	(50,000)	521,338	(9,823)	511,515
TOTAL EQUITY		456,021	(49,900)	406,121	283,057	689,178

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3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020 (continued)

	Note	Audited		Pro Forma I		Pro Forma II
		Consolidated SOFP as at 30 June 2020 RM'000	Adjustments for Pre-IPO Exercise and Other Material Transactions RM'000	After Pre-IPO Exercise and Other Material Transactions RM'000	Adjustments for Listing Exercise RM'000	After Pro Forma I and Listing Exercise RM'000
LIABILITIES						
Non-current liabilities						
Borrowings	3.2.2	22,803	-	22,803	-	22,803
Lease liabilities		686,336	-	686,336	-	686,336
Provision for restoration costs		15,864	-	15,864	-	15,864
Deferred tax liabilities		1,849	-	1,849	-	1,849
		726,852	-	726,852	-	726,852
Current liabilities						
Trade and other payables		105,919	-	105,919	-	105,919
Borrowings	3.2.2	586,049	(55,000)	531,049	(400,000)	131,049
Lease liabilities		102,876	-	102,876	-	102,876
Provision for restoration costs		674	-	674	-	674
Current tax liabilities		52,943	-	52,943	-	52,943
		848,461	(55,000)	793,461	(400,000)	393,461
TOTAL LIABILITIES		1,575,313	(55,000)	1,520,313	(400,000)	1,120,313
TOTAL EQUITY AND LIABILITIES		2,031,334	(104,900)	1,926,434	(116,943)	1,809,491
Net assets (RM'000)		456,021		406,121		689,178
Number of ordinary shares in issue ('000)		10		6,088,200		6,276,600
Net assets attributable to equity holders per ordinary share (RM)		45,602.10		0.07		0.11

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3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020 (continued)

3.1 PRO FORMA ADJUSTMENTS TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

3.1.1 Pro Forma I

Pro Forma I incorporated the effects of the Pre-IPO Exercise and Other Material Transactions as set out in Notes 2.1 and 2.2 respectively.

3.1.2 Pro Forma II

Pro Forma II incorporated the effects of Pro Forma I as set out in Notes 2.1 and 2.2 and the effects of the Listing Exercise as set out in Note 2.3.

3.2 NOTES TO THE PRO FORMA CONSOLIDATED SOFP

3.2.1 CASH AND BANK BALANCES

The movements of cash and bank balances are as follows:

	Note	RM'000
Audited as at 30 June 2020		272,466
Proceeds from the Share Issuance	2.1.1	100
Repayments of revolving credits	2.2.1	(55,000)
Distribution of dividend	2.2.2	(50,000)
		(104,900)
Pro Forma I		167,566
Public Issue	2.3	301,440
Proposed utilisation of proceeds		
- Repayments of bank borrowings	2.3	(276,140)
- Estimated listing expenses	2.3	(18,383)
Repayment of the remaining balance of the term loan facility using internally generated funds of the Group	2.3	(123,860)
		(116,943)
Pro Forma II		50,623

3.2.2 BORROWINGS

	Audited as at 30 June 2020 RM'000	Repayments of revolving credits (Note 2.2.1) RM'000	Pro Forma I RM'000	Repayments of bank borrowings (Note 2.3) RM'000	Pro Forma II RM'000
Non-current					
Hire purchase creditors	2,283	-	2,283	-	2,283
Term loans	20,520	-	20,520	-	20,520
	22,803	-	22,803	-	22,803

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3.2 NOTES TO THE PRO FORMA CONSOLIDATED SOFP (continued)

3.2.2 BORROWINGS (continued)

	Audited as at 30 June 2020 RM'000	Repayments of revolving credits (Note 2.2.1) RM'000	Pro Forma I RM'000	Repayments of bank borrowings (Note 2.3) RM'000	Pro Forma II RM'000
Current liabilities					
Bank overdraft	17,004	-	17,004	-	17,004
Revolving credits	164,500	(55,000)	109,500	-	109,500
Hire purchase creditors	348	-	348	-	348
Term loans	404,197	-	404,197	(400,000)	4,197
	586,049	(55,000)	531,049	(400,000)	131,049
Total borrowings					
Bank overdraft	17,004	-	17,004	-	17,004
Revolving credits	164,500	(55,000)	109,500	-	109,500
Hire purchase creditors	2,631	-	2,631	-	2,631
Term loans	424,717	-	424,717	(400,000)	24,717
	608,852	(55,000)	553,852	(400,000)	153,852

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3.2 NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

3.2.3 SHARE CAPITAL AND RESERVES

	Note	Share capital RM'000	Merger reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Equity attributable to owners of the Company						
Audited as at 30 June 2020		1,970	(117,450)	163	571,338	456,021
Proceeds from the Share Issuance	2.1.1	100	-	-	-	100
Distribution of dividend	2.2.2	-	-	-	(50,000)	(50,000)
Pro Forma I		2,070	(117,450)	163	521,338	406,121
Public Issue	2.3	301,440	-	-	-	301,440
Estimated listing expenses attributable to the Public Issue	2.3	(8,560)	-	-	-	(8,560)
Estimated other listing expenses	2.3	-	-	-	(9,823)	(9,823)
Pro Forma II		294,950	(117,450)	163	511,515	689,178

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APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Mr D.I.Y. Group (M) Berhad in accordance with a resolution dated 23 September 2020.

Signed on behalf of the Board of Directors,

....	....
TAN YU YEH	**ONG CHU JIN ADRIAN**
Director	Director

23 September 2020

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The Board of Directors
Mr D.I.Y. Group (M) Berhad
Lot 1907, Jalan KPB 11,
Kawasan Perindustrian Balakong,
43300 Seri Kembangan,
Selangor.

Date: 23 September 2020

Our ref: BDO/SCT/TKP

Dear Sirs

Reporting Accountant's Opinion on the Consolidated Financial Statements Contained in the Accountants' Report of Mr D.I.Y. Group (M) Berhad ("MDGM" or the "Company")

Opinion

We have audited the consolidated financial statements of Mr D.I.Y. Group (M) Berhad and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as at 31 December 2017, 31 December 2018, 31 December 2019 and 30 June 2020 of the Group, and consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the financial years ended 31 December 2017, 31 December 2018 and 31 December 2019 and for the financial period ended 30 June 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies as set out in this report.

This historical consolidated financial statements have been prepared for inclusion in the prospectus of the Company (the "Prospectus") in connection with the listing of and quotation for the entire ordinary shares in the Company on the Main Market of Bursa Malaysia Securities Berhad (the "Listing"). This report is given for the purpose of complying with the Prospectus Guidelines issued by the Securities Commission Malaysia and for no other purpose.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2017, 31 December 2018, 31 December 2019 and 30 June 2020 and of their financial performance and their cash flows for the financial years/period ended 31 December 2017, 31 December 2018, 31 December 2019 and 30 June 2020 in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Reporting Accountants' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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Directors' Responsibility for the Consolidated Financial Statements

The Directors of the Company ("Directors") are responsible for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with MFRS and IFRS. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibility for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group, including the disclosures, and whether the financial statements of the Group represent the underlying transactions and events in a manner that achieve fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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Reporting Accountants' Responsibility for the Audit of Consolidated Financial Statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

The comparative information in respect of the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows and related notes to the consolidated financial statements for the financial period ended 30 June 2019 has not been audited.

In accordance with paragraph 10.05 of Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia, we report that the significant subsequent events identified by the Group since 30 June 2020, the reporting date of the most recent audited consolidated financial statements to the date of this report, are as disclosed in Note 2.35 to the financial statements.

This report has been prepared solely to comply with Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia and for inclusion in the Prospectus in connection with the Listing and for no other purposes. We do not assume responsibility to any other person for the content of this report.

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BDO PLT	**Tang Seng Choon**
LLP0018825-LCA & AF 0206	02011/12/2021 J
Chartered Accountants	Chartered Accountant

1. CONSOLIDATED FINANCIAL STATEMENTS

1.1 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	2.6	166,220	269,430	354,035	365,529
Intangible assets	2.7	1,733	2,392	3,731	3,978
Right-of-use assets	2.8	385,395	528,759	690,468	744,681
Investment in an associate	2.9	2,175	3,351	4,758	5,722
Deferred tax assets	2.10	7,967	12,542	11,859	12,894
		563,490	816,474	1,064,851	1,132,804
Current assets					
Inventories	2.11	256,248	419,312	496,646	508,995
Trade and other receivables	2.12	56,360	81,177	121,802	117,069
Current tax assets		63	-	-	-
Cash and bank balances	2.13	89,421	66,653	140,671	272,466
		402,092	567,142	759,119	898,530
TOTAL ASSETS		965,582	1,383,616	1,823,970	2,031,334
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	2.14	1,970	1,970	1,970	1,970
Reserves	2.15	347,262	522,592	338,504	454,051
TOTAL EQUITY		349,232	524,562	340,474	456,021
LIABILITIES					
Non-current liabilities					
Borrowings	2.16	28,863	47,704	611,541	22,803
Lease liabilities	2.8	339,266	479,124	632,690	686,336
Provision for restoration costs	2.19	9,235	13,280	14,218	15,864
Deferred tax liabilities	2.10	2,981	1,960	2,338	1,849
		380,345	542,068	1,260,787	726,852
Current liabilities					
Trade and other payables	2.20	147,620	173,374	81,798	105,919
Borrowings	2.16	2,194	44,311	11,814	586,049
Lease liabilities	2.8	60,965	72,203	94,214	102,876
Provision for restoration costs	2.19	698	624	510	674
Current tax liabilities		24,528	26,474	34,373	52,943
		236,005	316,986	222,709	848,461
TOTAL LIABILITIES		616,350	859,054	1,483,496	1,575,313
TOTAL EQUITY AND LIABILITIES		965,582	1,383,616	1,823,970	2,031,334

1. CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.2 CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Revenue	2.22	1,229,216	1,771,058	2,275,587	1,050,749	1,096,730
Cost of sales		(687,210)	(997,227)	(1,311,894)	(602,707)	(633,421)
Gross profit		542,006	773,831	963,693	448,042	463,309
Other operating income		2,471	3,819	10,261	8,145	6,843
Administrative expenses		(37,066)	(58,707)	(70,455)	(40,464)	(39,286)
Other operating expenses	2.23	(207,195)	(291,562)	(402,867)	(221,090)	(188,623)
Profit from operations		300,216	427,381	500,632	194,633	242,243
Finance costs	2.24	(21,009)	(30,126)	(64,606)	(36,040)	(28,495)
Share of profit of an associate		675	1,206	1,707	1,114	630
Profit before tax	2.25	279,882	398,461	437,733	159,707	214,378
Income tax expense	2.27	(69,874)	(90,128)	(120,165)	(44,264)	(59,944)
Net profit for the financial year/period, attributable to the owners of the Company		210,008	308,333	317,568	115,443	154,434
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Gain on foreign currency translation		9	33	17	104	41
Other comprehensive income, net of tax	2.27(d)	9	33	17	104	41
Total comprehensive income, attributable to the owners of the Company		210,017	308,366	317,585	115,547	154,475
Earnings per share attributable to the owners of the Company						
Basic (RM)	2.28	21,001	30,833	31,757	11,544	15,443
Diluted (RM)	2.28	21,001	30,833	31,757	11,544	15,443

1. CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.3 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Audited	Note	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Foreign currency translation reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2017		10	1,960	(117,450)	-	254,695	139,215
Net profit for the financial year		-	-	-	-	210,008	210,008
Other comprehensive income, net of tax		-	-	-	9	-	9
Total comprehensive income		-	-	-	9	210,008	210,017
Transfer pursuant to Companies Act 2016	2.14	1,960	(1,960)	-	-	-	-
Balance as at 31 December 2017/1 January 2018		1,970	-	(117,450)	9	464,703	349,232
Net profit for the financial year		-	-	-	-	308,333	308,333
Other comprehensive income, net of tax		-	-	-	33	-	33
Total comprehensive income		-	-	-	33	308,333	308,366
Transactions with owners							
Dividends paid	2.29	-	-	-	-	(133,036)	(133,036)
Total transactions with owners		-	-	-	-	(133,036)	(133,036)
Balance as at 31 December 2018/1 January 2019		1,970	-	(117,450)	42	640,000	524,562

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1. CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.3 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)

Audited	Note	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Foreign currency translation reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at 31 December 2018/1 January 2019		1,970	-	(117,450)	42	640,000	524,562
Net profit for the financial year		-	-	-	-	317,568	317,568
Other comprehensive income, net of tax		-	-	-	17	-	17
Total comprehensive income		-	-	-	17	317,568	317,585
Transactions with owners							
Dividends paid	2.29	-	-	-	-	(501,673)	(501,673)
Total transactions with owners		-	-	-	-	(501,673)	(501,673)
Balance as at 31 December 2019/1 January 2020		1,970	-	(117,450)	59	455,895	340,474

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1. **CONSOLIDATED FINANCIAL STATEMENTS (continued)**

1.3 **CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)**

Audited	Note	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Foreign currency translation reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at 31 December 2019/1 January 2020		1,970	-	(117,450)	59	455,895	340,474
Net profit for the financial period		-	-	-	-	115,443	115,443
Other comprehensive income, net of tax		-	-	-	104	-	104
Total comprehensive income		-	-	-	104	115,443	115,547
Balance as at 30 June 2020		1,970	-	(117,450)	163	571,338	456,021
Unaudited							
Balance as at 31 December 2018/1 January 2019		1,970	-	(117,450)	42	640,000	524,562
Net profit for the financial period		-	-	-	-	154,434	154,434
Other comprehensive income, net of tax		-	-	-	41	-	41
Total comprehensive income		-	-	-	41	154,434	154,475
Transactions with owners							
Dividends paid	2.29	-	-	-	-	(501,673)	(501,673)
Total transactions with owners		-	-	-	-	(501,673)	(501,673)
Balance as at 30 June 2019		1,970	-	(117,450)	83	292,761	177,364

1. CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.4 CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		279,882	398,461	437,733	159,707	214,378
Adjustments for:						
Amortisation of intangible assets	2.7	493	639	917	537	387
Depreciation of property, plant and equipment	2.6	20,288	31,012	41,685	24,264	19,524
Depreciation of right-of-use assets	2.8	51,572	72,749	96,201	56,350	45,231
Gain on disposal of property, plant and equipment	2.25	(155)	(195)	(306)	(132)	(159)
(Gain)/Loss on reassessments and modifications of leases	2.25	-	-	(473)	(444)	598
Interest expense	2.24	21,009	30,126	64,606	36,040	28,495
Interest income	2.25	(1,133)	(1,489)	(3,120)	(1,498)	(1,977)
Inventory losses	2.11	5,151	14,016	18,338	7,120	7,907
Inventories written off	2.11	3,785	4,819	13,729	3,214	4,247
Property, plant and equipment written off	2.6	920	640	1,939	434	573
Rent concessions	2.8	-	-	-	(3,422)	-
Reversal of provision for restoration costs	2.19	(132)	(539)	(3,374)	(102)	(2,971)
Share of profit of an associate	2.9	(675)	(1,206)	(1,707)	(1,114)	(630)
Unrealised loss/(gain) on foreign exchange	2.25	132	54	65	(48)	11
Operating profit before changes in working capital		381,137	549,087	666,233	280,906	315,614
Changes in working capital:						
Inventories		(104,062)	(181,918)	(109,394)	(22,654)	(31,850)
Trade and other receivables		(18,376)	(24,817)	(40,624)	4,740	(35,483)
Trade and other payables		16,689	17,393	(1,716)	16,859	266
Cash generated from operations		275,388	359,745	514,499	279,851	248,547
Tax paid		(71,437)	(93,698)	(111,614)	(27,224)	(45,284)
Tax refunded		149	-	409	-	74
Net cash from operating activities		204,100	266,047	403,294	252,627	203,337

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1. **CONSOLIDATED FINANCIAL STATEMENTS (continued)**

1.4 **CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)**

	Note	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Additional investments in:						
- an associate	2.9	(1,500)	(120)	-	-	-
- subsidiaries	2.32	(13,111)	-	(104,842)	-	(60,000)
Dividends received from an associate	2.9	-	150	300	150	-
Interest income received		1,133	1,489	3,120	1,498	1,977
Purchases of:						
- property, plant and equipment	2.6	(70,487)	(124,020)	(115,076)	(30,707)	(54,847)
- intangible assets	2.7	(796)	(1,112)	(1,853)	(571)	(775)
Proceeds from disposal of property, plant and equipment		871	274	487	579	313
Proceeds from disposal of intangible assets		2	-	2	-	1
Repayments from holding company		1	-	-	-	-
Repayments to Directors		(2,547)	-	-	-	-
Advances from/ (Repayments to) a related party		1,030	(1,964)	-	-	-
Net cash used in investing activities		(85,404)	(125,303)	(217,862)	(29,051)	(113,331)
CASH FLOWS FROM FINANCING ACTIVITIES						
Dividends paid	2.29	-	(133,036)	(501,673)	-	(501,673)
Drawdowns of term loans		-	18,000	400,000	-	400,000
Drawdowns of revolving credits		-	37,600	200,000	110,500	200,000
Interest expense paid on:						
- borrowings		(1,353)	(1,808)	(24,661)	(12,352)	(8,753)
- lease liabilities		(19,190)	(27,648)	(37,373)	(21,975)	(17,661)
Payments of lease liabilities	2.8	(42,300)	(61,180)	(78,380)	(42,841)	(36,569)
Placements in restricted bank balances	2.13	-	-	(8,082)	(13)	(8,070)
Placements of deposits with a licensed bank with original maturity of more than three (3) months	2.13	-	(101)	(3)	-	(3)
Repayments of hire purchase creditors		(856)	(476)	(701)	(162)	(396)
Repayments of term loans		(1,455)	(10,614)	(9,408)	(1,955)	(2,293)
Repayments of revolving credits		-	-	(50,600)	(133,000)	(1,760)
Net cash (used in)/from financing activities		(65,154)	(179,263)	(110,881)	(101,798)	22,822

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1. **CONSOLIDATED FINANCIAL STATEMENTS (continued)**

1.4 **CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)**

	Note	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Net increase/(decrease) in cash and cash equivalents		53,542	(38,519)	74,551	121,778	112,828
Effects of exchange rate changes on cash and cash equivalents		(161)	(17)	(60)	109	(11)
Cash and cash equivalents at beginning of financial year/period		36,040	89,421	50,885	125,376	50,885
Cash and cash equivalents at end of financial year/period	2.13	89,421	50,885	125,376	247,263	163,702

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2 3 SEP 2020
BDO PLT
(LLP0018825-LCA & AF 0206)
Chartered Accountants
Kuala Lumpur

ACCOUNTANTS' REPORT ("THIS REPORT")

1. CONSOLIDATED FINANCIAL STATEMENTS (continued)

1.5 GENERAL INFORMATION

The Company was incorporated in Malaysia under the Companies Act, 1965 on 12 October 2010 as a private limited liability company under the name Mr D.I.Y. Enterprise Sdn. Bhd. and is deemed registered under the Companies Act 2016. On 1 June 2016, the Company changed its name to Mr D.I.Y. Group (M) Sdn. Bhd.. On 4 June 2019, it was converted to a public limited liability company and since then, assumed its current name of Mr D.I.Y. Group (M) Berhad.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company was changed from Lot 1851-A &1851-B, Jalan KPB 6, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor to Lot 1907, Jalan KPB 11, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor during the current financial period ended 30 June 2020.

The Company is principally an investment holding company. The principal activities of the subsidiaries are set out in Note 2.32 to the financial statements.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") (including MFRS 134 *Interim Financial Reporting*) and International Financial Reporting Standards ("IFRS").

The financial statements of the Group for the financial year ended ("FYE") 31 December 2017 were previously prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS"). During the financial year ended 31 December 2018, the Group adopted MFRS for the first-time and the financial statements for the financial year ended 31 December 2018 are the first financial statements of the Group prepared in accordance with MFRS. Accordingly, comparative information for the financial year ended 31 December 2017 has been restated to give effect to these changes as disclosed in Note 2.33 to the financial statements.

In addition, the Group has also early adopted MFRS 16 *Leases* for the financial year ended 31 December 2018 and the retrospective impact of adoption of MFRS 16 *Leases* for the financial year ended 31 December 2017 has been disclosed in Note 2.33 to the financial statements.

The consolidated financial statements of the Group for the relevant periods are prepared under historical cost convention except as otherwise stated in the consolidated financial statements.

The preparation of these financial statements in conformity with MFRS and IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group applies the accounting policies set out below consistently throughout the periods presented in these financial statements, unless otherwise stated.

2.2.1 Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee;
(b) Exposure, or rights, to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting of similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;
(b) Rights arising from other contractual agreements; and
(c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated in the consolidated financial statement. Unrealised gains arising from transactions with the associate are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests, if any, represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year/period are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(a) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(b) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.1 Basis of consolidation (continued)

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* or, where applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.2.2 Business combinations

Business combinations other than those involving entities under common control, are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

(b) right-of-use assets and lease liabilities for leases are recognised and measured in accordance with MFRS 16 *Leases*;

(c) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacements by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

(d) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. The Group accounts for changes in fair value of contingent consideration that are not measurement period adjustments as follows:

(a) Contingent consideration classified as equity shall not be remeasured and its subsequent settlement shall be accounted for within equity.

(b) Other contingent consideration that:

(i) is within the scope of MFRS 9 *Financial Instruments* shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with MFRS 9 *Financial Instruments* for the relevant period.

(ii) is not within the scope of MFRS 9 *Financial Instruments* shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.2 Business combinations (continued)

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRS. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method of accounting. The assets and liabilities of the entities are reflected at their carrying amounts reported in the consolidated financial statements of the Group. Any difference between the consideration paid and the share capital and capital reserves of the "acquired" entity is reflected within equity as merger reserve. The statements of profit or loss and other comprehensive income reflects the results of the entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

Entities under common control are entities, which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the consolidated financial statements from the day that control commences until the date that control ceases.

2.2.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.3 Property, plant and equipment and depreciation (continued)

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment except for freehold land and capital work-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal annual depreciation rates are as follows:

Buildings	2%
Furniture, fittings and equipment	10% - 20%
Motor vehicles	20%
Renovations	20%
Signboards	10%

Freehold land has unlimited useful life and is not depreciated. Capital work-in-progress is not depreciated until such time when the asset is available for use.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 2.2.7 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

2.2.4 Intangible assets

Intangible assets other than goodwill are recognised only when the identifiability, control and future economic benefit probability criteria are met.

The Group recognises at the acquisition date separately from goodwill, an intangible asset of the acquiree, irrespective of whether the asset had been recognised by the acquiree before the business combination.

Intangible assets are initially measured at cost. The cost of intangible assets recognised in a business combination is their fair values as at the date of acquisition.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.4 Intangible assets (continued)

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives and are assessed for any indication that the asset could be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in profit or loss and is included within the other operating expenses line item.

An intangible asset has an indefinite useful life when based on the analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to the Group. Intangible assets with indefinite useful lives are tested for impairment annually and wherever there is an indication that the carrying amount may be impaired. Such intangible assets are not amortised. Their useful lives are reviewed at the end of each reporting period to determine whether events and circumstances continue to support the indefinite useful life assessment for the asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in accounting estimate in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors.*

Expenditure on an intangible item that are initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from derecognition is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in profit or loss when the asset is derecognised.

Computer software

Acquired computer software is capitalised on the basis of the cost incurred to acquire and bring to use the specific software. This cost is amortised over its estimated useful live of five (5) years on a straight-line basis. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates.

2.2.5 Leases

The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group determines the lease term as the non-cancellable period of a lease, together with both:

(a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and

(b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.5 Leases (continued)

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is initially recorded at cost, which comprises:

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date of the lease, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use asset is measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

2.2.6 Investment in an associate

An associate is an entity over which the Group have significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the share of net assets of the investments of the Group.

The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the net investment in the associate of the Group.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.6 Investment in an associate (continued)

The share of the profit or loss of the associate by the Group during the financial year/period is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The share of those changes by the Group is recognised directly in equity of the Group.

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the interest of the Group in the associate to the extent that there is no impairment.

When the share of losses of the Group in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting period of the financial statements are not coterminous, the share of results is arrived at using the latest financial statements for which the difference in end of the reporting period is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.2.7 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investments in subsidiaries and investment in an associate), inventories and deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to the assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU. The impairment loss is recognised in profit or loss immediately.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.7 Impairment of non-financial assets (continued)

An impairment loss for assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

2.2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Cost is determined using the weighted average method. The cost comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

2.2.9 Financial instruments

(a) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group become a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss (FVTPL), directly attributable transaction costs.

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the financial assets are impaired or derecognised.

(ii) Financial assets measured subsequently at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income (FVTOCI) if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.9 Financial instruments (continued)

(a) Financial assets (continued)

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below: (continued)

(ii) Financial assets measured subsequently at fair value (continued)

Financial assets that are debt instruments, which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL. Any gains or losses arising from the changes in fair value are recognised in profit or loss.

The Group does not have any financial assets measured at FVTOCI and FVTPL as at the end of the reporting period.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group has an option to elect an irrevocable option to designate its equity instruments at initial recognition as financial assets measured at FVTOCI if the equity instruments are not held for trading.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss for equity instruments measured at FVTPL. As for equity instruments measured at FVTOCI, any gains or losses arising from the changes in fair value are recognised in other comprehensive income and are not subsequently transferred to profit or loss.

The Group does not have any equity instrument measured at FVTPL and FVTOCI as at the end of the reporting period.

Dividend on equity instruments are recognised in profit or loss when the right to receive payment is established.

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.9 Financial instruments (continued)

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Before 31 January 2017

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.9 Financial instruments (continued)

(c) Equity (continued)

After 31 January 2017

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim and final dividends to shareholders are recognised in equity in the period in which they are authorised for issuance.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Group at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amounts of the assets distributed and the carrying amount of the liability in profit or loss.

2.2.10 Impairment of financial assets

The Group recognises an impairment loss allowance for expected credit losses on a financial asset that is measured at amortised cost.

The Group recognises allowance for impairment loss for trade receivables based on the simplified approach in accordance with MFRS 9 *Financial Instruments* and measures the allowance for impairment loss based on a lifetime expected credit loss from initial recognition.

At the end of each reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets other than trade receivables by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group considers historical credit loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

2.2.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.11 Borrowing costs (continued)

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.2.12 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Group operates and include all taxes based upon the taxable profits.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.13 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Provision for restoration costs

This provision is recognised in respect of the obligation of the Group to restore leased retail outlets to its original state upon the expiry of tenancy agreements.

Provision for restoration costs comprises estimates of reinstatement costs for retail outlets upon termination of tenancy.

2.2.14 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

2.2.15 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.15 Employee benefits (continued)

(a) Short term employee benefits (continued)

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and the foreign operation in Negara Brunei Darussalam makes contribution to the statutory pension schemes in Brunei. The contributions are recognised as liabilities after deducting any contributions already paid and as expenses in the period in which the employees render their services.

2.2.16 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Company.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

(c) Foreign operations

Financial statements of foreign operations are translated at end of the reporting period exchange rates with respect to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statement of profit or loss and other comprehensive income. All resulting translation differences are recognised as a separate component of equity.

2.2.17 Revenue recognition

(a) Sales of goods

The Group recognises revenue from contracts with customers for the sale of goods based on the five-step model as set out below:

(i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

(ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.17 Revenue recognition (continued)

(a) Sales of goods (continued)

The Group recognises revenue from contracts with customers for the sale of goods based on the five-step model as set out below: (continued)

(iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

(iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

(v) Recognise revenue when the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time if the performance of the Group:

(i) Does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to-date; or

(ii) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(iii) Provides benefits that the customer simultaneously receives and consumes as the Group performs.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

(b) Other income

(i) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(ii) Rental income

Rental income is recognised on a straight-line basis over the lease term of an ongoing lease.

2.2.18 Operating segments

Operating segments are defined as components of the Group that:

(a) engage in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the chief operating decision maker of the Group particularly in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.18 Operating segments (continued)

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:

(i) the combined reported profit of all operating segments that did not report a loss; and

(ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial period in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

2.2.19 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year/period is calculated by dividing the net profit for the financial year/period attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year/period.

(b) Diluted

Diluted earnings per ordinary share for the financial year/period is calculated by dividing the net profit for the financial year/period attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year/period adjusted for the effects of dilutive potential ordinary shares.

2.2.20 Fair value measurements

The fair value of an asset or a liability, except for share-based payments and lease transactions is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2.20 Fair value measurements (continued)

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable:

(a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

2.3 CRITICAL JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

There are no significant judgements made by the management in the process of applying the accounting policies of the Group that have a significant effect on the amounts recognised in the financial statements.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.4 KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(a) Determination of the lease term for leases

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

(b) Provision for restoration costs

The Group estimates provision for restoration costs based on historical costs incurred per square feet of rent area. The estimated provision for restoration costs are reviewed periodically and are updated if expectations differ from previous estimates due to changes in cost factors. Where expectations differ from the original estimates, the differences would impact the carrying amount of provision for restoration costs of the Group.

2.5 OPERATING SEGMENTS

For management purposes, the Group is organised into two (2) reportable segments based on their geographical locations. The reportable segments are summarised as follows:

(i) Malaysia; and

(ii) Brunei.

The accounting policies of the operating segments are the same as those described in the financial statements.

The Group evaluates performance of the operating segments on the basis of profit or loss before tax.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the reporting periods.

Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total costs incurred during the period to acquire segment assets that are expected to be used for more than one year.

Capital expenditure

Capital expenditure comprises additions to property, plant and equipment and intangible assets.

Major customers

There are no major customers with revenue equal or more than ten percent (10%) of the Group revenue. As such, information on major customers is not presented.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 OPERATING SEGMENTS (continued)

Audited	Malaysia RM'000	Brunei RM'000	Eliminations RM'000	Total RM'000
1.1.2017 to 31.12.2017				
Revenue				
Sales to external customers	1,212,648	16,568	-	1,229,216
Inter-segment sales	8,712	-	(8,712)	-
Total revenue	1,221,360	16,568	(8,712)	1,229,216
Results				
Profit from operations	293,624	6,773	(181)	300,216
Interest expense	(20,472)	(537)	-	(21,009)
Share of profit of an associate	675	-	-	675
Profit before tax	273,827	6,236	(181)	279,882
Income tax expense	(68,851)	(1,061)	38	(69,874)
Net profit for the financial year	204,976	5,175	(143)	210,008
Other segment information				
Depreciation and amortisation	70,588	1,765	-	72,353
Interest income	1,133	-	-	1,133
Non-cash expenses other than depreciation and amortisation	10,448	6	-	10,454
Capital expenditure	81,059	2,398	-	83,457
31.12.2017				
Assets				
Segment assets	946,661	20,686	(1,765)	965,582
Non-current assets (excluding right-of-use assets and deferred tax assets)	165,683	2,270	-	167,953
Investment in an associate	2,175	-	-	2,175
Liabilities				
Segment liabilities	602,219	15,640	(1,509)	616,350

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 OPERATING SEGMENTS (continued)

Audited	Malaysia RM'000	Brunei RM'000	Eliminations RM'000	Total RM'000
1.1.2018 to 31.12.2018				
Revenue				
Sales to external customers	1,751,917	19,141	-	1,771,058
Inter-segment sales	8,492	-	(8,492)	-
Total revenue	1,760,409	19,141	(8,492)	1,771,058
Results				
Profit from operations	420,679	6,800	(98)	427,381
Interest expense	(29,468)	(658)	-	(30,126)
Share of profit of an associate	1,206	-	-	1,206
Profit before tax	392,417	6,142	(98)	398,461
Income tax expense	(89,625)	(758)	255	(90,128)
Net profit for the financial year	302,792	5,384	157	308,333
Other segment information				
Depreciation and amortisation	101,955	2,445	-	104,400
Interest income	1,489	-	-	1,489
Non-cash expenses other than depreciation and amortisation	20,055	144	-	20,199
Capital expenditure	135,109	1,130	-	136,239
31.12.2018				
Assets				
Segment assets	1,362,854	21,789	(1,027)	1,383,616
Non-current assets (excluding right-of-use assets, investment in an associate and deferred tax assets)	268,876	2,946	-	271,822
Investment in an associate	3,351	-	-	3,351
Liabilities				
Segment liabilities	845,620	14,360	(926)	859,054

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 OPERATING SEGMENTS (continued)

Audited	Malaysia RM'000	Brunei RM'000	Eliminations RM'000	Total RM'000
1.1.2019 to 31.12.2019				
Revenue				
Sales to external customers	2,255,598	19,989	-	2,275,587
Inter-segment sales	7,104	-	(7,104)	-
Total revenue	2,262,702	19,989	(7,104)	2,275,587
Results				
Profit from operations	493,523	7,041	68	500,632
Interest expense	(63,982)	(624)	-	(64,606)
Share of profit of an associate	1,707	-	-	1,707
Profit before tax	431,248	6,417	68	437,733
Income tax expense	(119,347)	(589)	(229)	(120,165)
Net profit for the financial year	311,901	5,828	(161)	317,568
Other segment information				
Depreciation and amortisation	136,094	2,709	-	138,803
Interest income	3,120	-	-	3,120
Non-cash expenses other than depreciation and amortisation	34,683	105	-	34,788
Capital expenditure	130,644	19	-	130,663
31.12.2019				
Assets				
Segment assets	1,801,554	23,395	(979)	1,823,970
Non-current assets (excluding right-of-use assets, investment in an associate and deferred tax assets)	355,523	2,243	-	357,766
Investment in an associate	4,758	-	-	4,758
Liabilities				
Segment liabilities	1,472,420	11,793	(717)	1,483,496

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 OPERATING SEGMENTS (continued)

Audited	Malaysia RM'000	Brunei RM'000	Eliminations RM'000	Total RM'000
1.1.2020 to 30.6.2020				
Revenue				
Sales to external customers	1,039,961	10,788	-	1,050,749
Inter-segment sales	4,729	-	(4,729)	-
Total revenue	1,044,690	10,788	(4,729)	1,050,749
Results				
Profit from operations	191,394	3,231	8	194,633
Interest expense	(35,768)	(272)	-	(36,040)
Share of profit of an associate	1,114	-	-	1,114
Profit before tax	156,740	2,959	8	159,707
Income tax expense	(43,944)	(319)	(1)	(44,264)
Net profit for the financial period	112,796	2,640	7	115,443
Other segment information				
Depreciation and amortisation	79,785	1,366	-	81,151
Interest income	1,498	-	-	1,498
Non-cash expenses other than depreciation and amortisation	10,521	606	-	11,127
Capital expenditure	37,400	4	-	37,404
30.6.2020				
Assets				
Segment assets	2,007,409	25,024	(1,099)	2,031,334
Non-current assets (excluding right-of-use assets, investment in an associate and deferred tax assets)	367,489	2,018	-	369,507
Investment in an associate	5,722	-	-	5,722
Liabilities				
Segment liabilities	1,565,479	10,679	(845)	1,575,313

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.5 OPERATING SEGMENTS (continued)

Unaudited	Malaysia RM'000	Brunei RM'000	Eliminations RM'000	Total RM'000
1.1.2019 to 30.6.2019				
Revenue				
Sales to external customers	1,086,591	10,139	-	1,096,730
Inter-segment sales	3,644	-	(3,644)	-
Total revenue	1,090,235	10,139	(3,644)	1,096,730
Results				
Profit from operations	238,752	3,451	40	242,243
Interest expense	(28,168)	(327)	-	(28,495)
Share of profit of an associate	630	-	-	630
Profit before tax	211,214	3,124	40	214,378
Income tax expense	(59,199)	(521)	(224)	(59,944)
Net profit for the financial period	152,015	2,603	(184)	154,434
Other segment information				
Depreciation and amortisation	63,781	1,361	-	65,142
Interest income	1,977	-	-	1,977
Non-cash expenses other than depreciation and amortisation	13,597	90	-	13,687
Capital expenditure	61,474	19	-	61,493

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.6 PROPERTY, PLANT AND EQUIPMENT

Audited	Balance as at 1.1.2017 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Exchange differences RM'000	Balance as at 31.12.2017 RM'000
31 December 2017						
At cost						
Freehold land	18,853	222	-	-	-	19,075
Buildings	5,430	8,000	-	-	-	13,430
Furniture, fittings and equipment	70,998	42,259	(470)	(1,052)	(5)	111,730
Motor vehicles	8,675	4,881	(1,018)	-	-	12,538
Renovations	31,522	21,230	-	(998)	-	51,754
Signboards	9,975	5,940	-	(208)	-	15,707
	145,453	82,532	(1,488)	(2,258)	(5)	224,234

	Balance as at 1.1.2017 RM'000	Depreciation charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Exchange differences RM'000	Balance as at 31.12.2017 RM'000
Accumulated depreciation						
Buildings	326	202	-	-	-	528
Furniture, fittings and equipment	19,677	9,596	(146)	(574)	-	28,553
Motor vehicles	4,198	1,822	(626)	-	-	5,394
Renovations	13,570	7,408	-	(690)	-	20,288
Signboards	2,065	1,260	-	(74)	-	3,251
	39,836	20,288	(772)	(1,338)	-	58,014

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.6 PROPERTY, PLANT AND EQUIPMENT (continued)

Audited	Balance as at 1.1.2018 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Exchange differences RM'000	Balance as at 31.12.2018 RM'000
31 December 2018						
At cost						
Freehold land	19,075	20,340	-	-	-	39,415
Buildings	13,430	-	-	-	-	13,430
Furniture, fittings and equipment	111,730	64,243	(119)	(1,019)	5	174,840
Motor vehicles	12,538	6,925	(666)	-	-	18,797
Renovations	51,754	22,082	-	(533)	-	73,303
Signboards	15,707	7,664	-	(233)	-	23,138
Capital work-in-progress	-	13,687	-	-	-	13,687
	224,234	134,941	(785)	(1,785)	5	356,610

	Balance as at 1.1.2018 RM'000	Depreciation charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Exchange differences RM'000	Balance as at 31.12.2018 RM'000
Accumulated depreciation						
Buildings	528	269	-	-	-	797
Furniture, fittings and equipment	28,553	15,225	(67)	(650)	5	43,066
Motor vehicles	5,394	2,471	(639)	-	-	7,226
Renovations	20,288	11,117	-	(403)	-	31,002
Signboards	3,251	1,930	-	(92)	-	5,089
	58,014	31,012	(706)	(1,145)	5	87,180

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.6 PROPERTY, PLANT AND EQUIPMENT (continued)

Audited	Balance as at 1.1.2019 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Exchange differences RM'000	Balance as at 31.12.2019 RM'000
31 December 2019						
At cost						
Freehold land	39,415	19,043	-	-	-	58,458
Buildings	13,430	-	-	-	-	13,430
Furniture, fittings and equipment	174,840	58,701	(213)	(2,532)	4	230,800
Motor vehicles	18,797	4,287	(912)	(116)	-	22,056
Renovations	73,303	21,270	-	(3,097)	3	91,479
Signboards	23,138	7,028	(5)	(1,164)	-	28,997
Capital work-in-progress	13,687	18,076	-	-	-	31,763
	356,610	128,405	(1,130)	(6,909)	7	476,983

	Balance as at 1.1.2019 RM'000	Depreciation charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Exchange differences RM'000	Balance as at 31.12.2019 RM'000
Accumulated depreciation						
Buildings	797	269	-	-	-	1,066
Furniture, fittings and equipment	43,066	20,918	(105)	(1,478)	1	62,402
Motor vehicles	7,226	3,528	(843)	(66)	-	9,845
Renovations	31,002	14,349	-	(2,841)	1	42,511
Signboards	5,089	2,621	(1)	(585)	-	7,124
	87,180	41,685	(949)	(4,970)	2	122,948

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.6 PROPERTY, PLANT AND EQUIPMENT (continued)

Audited	Balance as at 1.1.2020 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Reclassification RM'000	Exchange differences RM'000	Balance as at 30.6.2020 RM'000
30 June 2020							
At cost							
Freehold land	58,458	-	-	-	-	-	58,458
Buildings	13,430	-	-	-	25,401	-	38,831
Furniture, fittings and equipment	230,800	23,810	(632)	(563)	-	18	253,433
Motor vehicles	22,056	2,025	(274)	-	-	1	23,808
Renovations	91,479	8,020	-	(1,049)	-	11	98,461
Signboards	28,997	1,927	-	(316)	-	1	30,609
Capital work-in-progress	31,763	838	-	-	(25,401)	-	7,200
	476,983	36,620	(906)	(1,928)	-	31	510,800

	Balance as at 1.1.2020 RM'000	Depreciation charge for the financial period RM'000	Disposals RM'000	Written off RM'000	Exchange differences RM'000	Balance as at 30.6.2020 RM'000
Accumulated depreciation						
Buildings	1,066	177	-	-	-	1,243
Furniture, fittings and equipment	62,402	12,550	(200)	(316)	6	74,442
Motor vehicles	9,845	1,980	(259)	-	-	11,566
Renovations	42,511	8,069	-	(1,011)	6	49,575
Signboards	7,124	1,488	-	(167)	-	8,445
	122,948	24,264	(459)	(1,494)	12	145,271

Net carrying amounts	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Freehold land	19,075	39,415	58,458	58,458
Buildings	12,902	12,633	12,364	37,588
Furniture, fittings and equipment	83,177	131,774	168,398	178,991
Motor vehicles	7,144	11,571	12,211	12,242
Renovations	31,466	42,301	48,968	48,886
Signboards	12,456	18,049	21,873	22,164
Capital work-in-progress	-	13,687	31,763	7,200
	166,220	269,430	354,035	365,529

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.6 PROPERTY, PLANT AND EQUIPMENT (continued)

(a) The Group made the following cash payments to purchase property, plant and equipment:

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Additions of property, plant and equipment	82,532	134,941	128,405	36,620	60,620
Other payables	(4,755)	(10,140)	(12,198)	(5,727)	(5,200)
Accruals	-	-	(524)	-	(310)
Financed by hire purchase creditors	(890)	(781)	(607)	(186)	(263)
Financed by term loans	(6,400)	-	-	-	-
Cash payments on purchase of property, plant and equipment	70,487	124,020	115,076	30,707	54,847

(b) As at the end of each reporting period, the net carrying amounts of property, plant and equipment of the Group under hire purchase arrangements are as follows:

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Motor vehicles	1,809	1,901	1,742	1,579

(c) Certain freehold land and buildings of the Group have been pledged as securities to banks for bank borrowings granted to the Group as disclosed in Note 2.16 to the financial statements with carrying amounts as follows:

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Freehold land	19,075	19,075	19,075	19,075
Buildings	12,603	12,341	12,079	37,306
Capital work-in-progress - Buildings under construction	-	13,006	24,666	-
	31,678	44,422	55,820	56,381

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.7 INTANGIBLE ASSETS

Audited	Balance as at 1.1.2017 RM'000	Additions RM'000	Disposals RM'000	Balance as at 31.12.2017 RM'000
31 December 2017				
At cost				
Computer software	2,480	925	(6)	3,399

	Balance as at 1.1.2017 RM'000	Amortisation for the financial year RM'000	Disposals RM'000	Balance as at 31.12.2017 RM'000
Accumulated amortisation				
Computer software	1,177	493	(4)	1,666

Audited	Balance as at 1.1.2018 RM'000	Additions RM'000	Written Off RM'000	Balance as at 31.12.2018 RM'000
31 December 2018				
At cost				
Computer software	3,399	1,298	(27)	4,670

	Balance as at 1.1.2018 RM'000	Amortisation for the financial year RM'000	Written Off RM'000	Balance as at 31.12.2018 RM'000
Accumulated amortisation				
Computer software	1,666	639	(27)	2,278

Audited	Balance as at 1.1.2019 RM'000	Additions RM'000	Disposals RM'000	Balance as at 31.12.2019 RM'000
31 December 2019				
At cost				
Computer software	4,670	2,258	(16)	6,912

	Balance as at 1.1.2019 RM'000	Amortisation for the financial year RM'000	Disposals RM'000	Balance as at 31.12.2019 RM'000
Accumulated amortisation				
Computer software	2,278	917	(14)	3,181

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.7 INTANGIBLE ASSETS (continued)

Audited	Balance as at 1.1.2020 RM'000	Additions RM'000	Disposals RM'000	Balance as at 30.6.2020 RM'000
30 June 2020				
At cost				
Computer software	6,912	784	(13)	7,683

Accumulated amortisation	Balance as at 1.1.2020 RM'000	Amortisation for the financial period RM'000	Disposals RM'000	Balance as at 30.6.2020 RM'000
Computer software	3,181	537	(13)	3,705

Net carrying amounts	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Computer software	1,733	2,392	3,731	3,978

(a) Intangible assets represent computer software, which is not integral to hardware of the Group and can be separately identified. Computer software is amortised over its estimated useful life of five (5) years using the straight line method.

(b) The Group made the following cash payments to intangible assets:

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Additions of intangible assets	925	1,298	2,258	784	873
Other payables	(129)	(186)	(405)	(213)	(98)
Cash payments on purchase of intangible assets	796	1,112	1,853	571	775

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Cost				
As at 1 January	338,911	503,317	718,983	944,912
Additions	164,613	216,045	246,736	80,276
Reassessments and modifications	-	-	(20,320)	20,207
Reversals	(113)	(457)	(516)	(107)
Exchange differences	(94)	78	29	133
As at 31 December/30 June	503,317	718,983	944,912	1,045,421
Accumulated depreciation				
As at 1 January	(66,462)	(117,922)	(190,224)	(254,444)
Depreciation charge for the year/period	(51,572)	(72,749)	(96,201)	(56,350)
Reassessments and modifications	-	-	31,473	9,997
Reversals	113	457	516	107
Exchange differences	(1)	(10)	(8)	(50)
As at 31 December/30 June	(117,922)	(190,224)	(254,444)	(300,740)
Net carrying amounts	385,395	528,759	690,468	744,681

The right-of-use assets represent non-cancellable operating lease agreements entered into by the Group for the use of retail outlets and warehouses. The leases are mainly for an initial lease period of three (3) years with options to renew every three (3) years up to a total of fifteen (15) years.

(b) Lease liabilities

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Non-current				
Lease liabilities	339,266	479,124	632,690	686,336
Current				
Lease liabilities	60,965	72,203	94,214	102,876
	400,231	551,327	726,904	789,212

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(b) Lease liabilities (continued)

The movements of lease liabilities during the financial years/period are as follows:

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
As at 1 January	281,013	400,231	551,327	726,904
Interest charged for the year/period	19,190	27,648	37,373	21,975
Additions	161,610	212,206	243,255	78,723
Reassessments and modifications	-	-	10,680	29,760
Rent concessions	-	-	-	(3,422)
Exchange differences	(92)	70	22	88
Payments of:				
- Principal	(42,300)	(61,180)	(78,380)	(42,841)
- Interest	(19,190)	(27,648)	(37,373)	(21,975)
As at 31 December/30 June	400,231	551,327	726,904	789,212

(c) The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group. The lease payments are discounted using the annual incremental borrowing rates of the Group of 4.60% to 5.75% (31.12.2019: 5.60%; 31.12.2018: 5.75%; 31.12.2017: 5.50%).

(d) Expenses relating to leases of low-value assets and short-term leases (included in administrative expenses and other operating expenses) are as follows:

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Rental expenses on:					
- advertising spaces	1,755	2,773	3,187	1,683	1,656
- equipment	112	152	288	252	123
- premises	2,943	3,252	3,459	2,276	1,761
- others	5	6	6	2	3
	4,815	6,183	6,940	4,213	3,543

(e) Variable lease payments arising from COVID-19 related rent concessions recognised in other operating income during the current financial period ended 30 June 2020 are RM3,422,000.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(f) The table below summarises the maturity profile of the lease liabilities of the Group at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

Audited	Within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
31 December 2017				
Lease liabilities	71,659	253,989	166,437	492,085
31 December 2018				
Lease liabilities	100,843	361,044	213,288	675,175
31 December 2019				
Lease liabilities	132,572	481,210	274,130	887,912
30 June 2020				
Lease liabilities	143,729	523,731	288,665	956,125

(g) Reconciliation of liabilities arising from financing activities

The table below details changes in lease liabilities of the Group arising from financing activities, including both cash and non-cash changes. Lease liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statements of cash flows of the Group as cash flows from financing activities.

Lease liabilities	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000	30.6.2019 Unaudited RM'000
As at 1 January	281,013	400,231	551,327	726,904	551,327
Cash flows	(42,300)	(61,180)	(78,380)	(42,841)	(36,569)
Non-cash flows:					
- Additions	161,610	212,206	243,255	78,723	139,552
- Reassessments modifications of leases	-	-	10,680	29,760	(1,321)
- Rent concessions	-	-	-	(3,422)	-
- Exchange differences	(92)	70	22	88	80
As at 31 December /30 June	400,231	551,327	726,904	789,212	653,069

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.9 INVESTMENT IN AN ASSOCIATE

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Unquoted shares, at cost	1,500	1,620	1,620	1,620
Share of post-acquisition reserves, net of dividends received	675	1,731	3,138	4,102
	2,175	3,351	4,758	5,722

(a) The associate is accounted for using the equity method in the consolidated financial statements.

(b) The details of the associate are as follows:

Name of company	[----------------Effective interest in equity--------------]				Principal activities
	31.12.2017* %	31.12.2018* %	31.12.2019 %	30.6.2020 %	
Qube Apps Solutions Sdn. Bhd. ("Qube Apps")	30	30	30	30	Providing computer consultancy services, software developers and trading of related products

* Audited by a firm of auditors other than BDO in Malaysia and member firms of BDO International.

The country of incorporation and principal place of business of the associate are in Malaysia.

(c) The financial statements of the associate are coterminous with that of the financial years/period of the Group. The most recent available financial statements of the associate are used by the Group in applying the equity method of accounting. The share of results of the associate of the Group for the financial years/period ended 31 December 2018, 31 December 2019 and 30 June 2020 are based on audited financial statements.

The share of results of the associate of the Group for the financial year/period ended 31 December 2017 and 30 June 2019 are based on management accounts.

(d) During the financial year ended 31 December 2017, the Company acquired 30,000 ordinary shares in the associate representing 30% interest of the enlarged issued and paid up share capital of the associate for cash consideration of RM1,500,000. During the financial year ended 31 December 2018, the Company subscribed for an additional 120,000 ordinary shares in the associate at RM1 per ordinary share.

(e) The summarised financial information of the associate is as follows:

Qube Apps Solutions Sdn. Bhd.	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	30.6.2020 RM'000
Assets and liabilities				
Non-current assets	1,704	1,955	2,562	2,419
Current assets	4,214	6,563	12,227	15,033
Non-current liabilities	(1,250)	(1,115)	(1,364)	(1,266)
Current liabilities	(2,455)	(1,269)	(2,602)	(2,149)
Net assets	2,213	6,134	10,823	14,037

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.9 INVESTMENT IN AN ASSOCIATE (continued)

(e) The summarised financial information of the associate is as follows: (continued)

	1.1.2017 to 31.12.2017 RM'000	1.1.2018 to 31.12.2018 RM'000	1.1.2019 to 31.12.2019 RM'000	1.1.2020 to 30.6.2020 RM'000	1.1.2019 to 30.6.2019 RM'000
Results					
Revenue	9,412	15,955	21,490	12,733	9,350
Net profit for the financial year/period	2,740	4,021	5,689	3,713	2,100
Total comprehensive income	2,740	4,021	5,689	3,713	2,100
Cash flows from operating activities	915	2,579	5,875	731	1,651
Cash flows used in investing activities	(153)	(473)	(189)	(84)	(124)
Cash flows used in financing activities	(117)	(234)	(1,385)	(686)	(193)
Net increase/(decrease) in cash and cash equivalents	645	1,872	4,301	(39)	1,334

(f) The reconciliation of net assets of the associate to the carrying amount of the investment in an associate is as follows:

Qube Apps Solutions Sdn. Bhd.	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Share of net assets of the Group	664	1,840	3,247	4,211
Goodwill	1,511	1,511	1,511	1,511
Carrying amount in the consolidated statements of financial position	2,175	3,351	4,758	5,722

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Share of results of the Group					
Share of profit of the Group	675	1,206	1,707	1,114	630
Share of total comprehensive income of the Group	675	1,206	1,707	1,114	630
Other information					
Dividends received	-	150	300	150	-

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.10 DEFERRED TAX

The deferred tax assets are made up of the following:

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
As at 1 January	1,263	4,986	10,582	9,521
Recognised in profit or loss (Note 2.27)	3,724	5,597	(1,061)	1,525
Exchange differences	(1)	(1)	-	(1)
As at 31 December/30 June	4,986	10,582	9,521	11,045
Presented after appropriate offsetting:				
Deferred tax assets, net	7,967	12,542	11,859	12,894
Deferred tax liabilities, net	(2,981)	(1,960)	(2,338)	(1,849)
As at 31 December/30 June	4,986	10,582	9,521	11,045

(a) The components of deferred tax assets and deferred tax liabilities during the financial years/period prior to offsetting are as follows:

Deferred tax assets of the Group

Audited	Leases RM'000	Unutilised capital allowances RM'000	Unabsorbed tax losses RM'000	Others RM'000	Total RM'000
As at 1 January 2017	3,697	22	30	5,363	9,112
Recognised in profit or loss	2,317	(22)	(29)	3,490	5,756
Exchange differences	-	-	(1)	-	(1)
As at 31 December 2017, prior to offsetting	6,014	-	-	8,853	14,867
Offsetting					(6,900)
As at 31 December 2017					7,967
As at 1 January 2018	6,014	-	-	8,853	14,867
Recognised in profit or loss	2,930	-	-	5,872	8,802
As at 31 December 2018, prior to offsetting	8,944	-	-	14,725	23,669
Offsetting					(11,127)
As at 31 December 2018					12,542

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.10 DEFERRED TAX (continued)

(a) The components of deferred tax assets and deferred tax liabilities during the financial years/period prior to offsetting are as follows: (continued)

Deferred tax assets of the Group (continued)

Audited	Leases RM'000	Unutilised capital allowances RM'000	Unabsorbed tax losses RM'000	Others RM'000	Total RM'000
As at 1 January 2019	8,944	-	-	14,725	23,669
Recognised in profit or loss	3,296	-	-	(3,240)	56
As at 31 December 2019, prior to offsetting	12,240	-	-	11,485	23,725
Offsetting					(11,866)
As at 31 December 2019					11,859
As at 1 January 2020	12,240	-	-	11,485	23,725
Recognised in profit or loss	2,049	-	-	432	2,481
Exchange differences	1	-	-	-	1
As at 30 June 2020, prior to offsetting	14,290	-	-	11,917	26,207
Offsetting					(13,313)
As at 30 June 2020					12,894

Deferred tax liabilities of the Group

Audited	Property, plant and equipment RM'000	Total RM'000
As at 1 January 2017	7,849	7,849
Recognised in profit or loss	2,032	2,032
As at 31 December 2017, prior to offsetting	9,881	9,881
Offsetting		(6,900)
As at 31 December 2017		2,981

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.10 DEFERRED TAX (continued)

(a) The components of deferred tax assets and deferred tax liabilities during the financial years/period prior to offsetting are as follows: (continued)

Deferred tax liabilities of the Group (continued)

Audited	Property, plant and equipment RM'000	Total RM'000
As at 1 January 2018	9,881	9,881
Recognised in profit or loss	3,206	3,206
As at 31 December 2018, prior to offsetting	13,087	13,087
Offsetting		(11,127)
As at 31 December 2018		1,960
As at 1 January 2019	13,087	13,087
Recognised in profit or loss	1,117	1,117
As at 31 December 2019, prior to offsetting	14,204	14,204
Offsetting		(11,866)
As at 31 December 2019		2,338
As at 1 January 2020	14,204	14,204
Recognised in profit or loss	956	956
Exchange differences	2	2
As at 30 June 2020, prior to offsetting	15,162	15,162
Offsetting		(13,313)
As at 30 June 2020		1,849

(b) Deferred tax assets have not been recognised in respect of the following items:

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Unused tax losses				
- Expired by 31 December 2027	-	-	-	897
- Expired by 31 December 2026	-	-	2,855	2,855
- Expired by 31 December 2025	-	-	3,293	3,293
Unabsorbed capital allowances	-	-	1,894	2,556
Other taxable temporary differences	-	-	(602)	(226)
	-	-	7,440	9,375

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.10 DEFERRED TAX (continued)

(b) Deferred tax assets have not been recognised in respect of the following items: (continued)

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority.

2.11 INVENTORIES

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
At cost				
Finished goods	256,248	419,312	496,646	508,995

(a) Inventories of the Group recognised as cost of sales during the financial years/periods are as follows:

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Recognised as cost of sales	679,658	985,279	1,292,866	594,418	626,531

(b) The amounts of inventory losses and inventories written off recognised as cost of sales during the financial years/periods are as follows:

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Inventory losses	5,151	14,016	18,338	7,120	7,907
Inventories written off	3,785	4,819	13,729	3,214	4,247
	8,936	18,835	32,067	10,334	12,154

2.12 TRADE AND OTHER RECEIVABLES

	Note	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Trade receivables					
Third parties		650	1,315	2,523	2,204
Amount owing by a related party		-	371	1,660	2,311
	(b)	650	1,686	4,183	4,515
Less: Impairment losses		-*	-*	-*	-*
		650	1,686	4,183	4,515

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.12 TRADE AND OTHER RECEIVABLES (continued)

	Note	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Other receivables					
Other receivables	(c)	361	5,189	3,373	7,656
Deposits		37,624	47,331	51,667	56,353
		37,985	52,520	55,040	64,009
Less: Impairment losses		-*	-*	-*	-*
		37,985	52,520	55,040	64,009
Total trade and other receivables, excluding prepayments		38,635	54,206	59,223	68,524
Prepayments	(d)	17,725	26,971	62,579	48,545
Total trade and other receivables		56,360	81,177	121,802	117,069

* The expected credit loss amount is negligible.

(a) Trade and other receivables excluding prepayments are classified as financial assets measured at amortised cost.

(b) Trade receivables are non-interest bearing and the normal credit terms granted by the Group is 30 days (31.12.2019: 30 days; 31.12.2018: 30 days; 31.12.2017: 30 days). They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

(c) Included in other receivables are amounts owing by related parties of RM1,562,000 (31.12.2019: RM23,000; 31.12.2018: RM764,000; 31.12.2017: RM153,000). The amounts owing by related parties are mainly in respect of management fees that are unsecured, interest-free and payable within the next twelve (12) months. Subsequent to the end of the reporting period, the Group received repayments of RM1,461,000 in respect of the outstanding management fees.

(d) Included in prepayments of the Group are advance payments to suppliers for purchase of goods of RM41,883,000 (31.12.2019: RM56,287,000; 31.12.2018: RM21,346,000; 31.12.2017: RM12,251,000).

(e) Impairment for trade receivables are recognised based on the simplified approach using the lifetime expected credit losses ("ECL").

The Group considers historical credit loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the consolidated statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires the Directors and management of the Group to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.12 TRADE AND OTHER RECEIVABLES (continued)

(f) The ageing analysis of trade receivables of the Group are as follows:

Audited	Gross carrying amount RM'000	Impairment losses RM'000	Balance RM'000
31 December 2017			
Current	648	-	648
Past due			
31 to 60 days	2	-	2
	650	-	650
31 December 2018			
Current	1,686	-	1,686
31 December 2019			
Current	3,365	-	3,365
Past due			
1 to 30 days	85	-	85
31 to 60 days	733	-	733
	818	-	818
	4,183	-	4,183
30 June 2020			
Current	4,515	-	4,515

(g) Impairment for other receivables and deposits are recognised based on the three-stage general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. As at the end of each reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

The probabilities of non-payment by other receivables are adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss.

It requires the Directors and management of the Group to exercise significant judgement in determining the probabilities of default by other receivables, appropriate forward looking information and significant increase in credit risk.

(h) No expected credit loss is recognised arising from trade and other receivables as the amounts are negligible.

(i) As at the end of each reporting period, trade and other receivables of the Group are not secured by any collateral and are not subject to significant risk of concentration. The Group did not renegotiate the terms of any trade receivables during the each of the reporting period.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.12 TRADE AND OTHER RECEIVABLES (continued)

(j) The currency exposure profiles of trade and other receivables, excluding prepayments are as follows:

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Ringgit Malaysia	38,114	52,164	56,713	65,286
Brunei Dollar	9	807	711	803
United States Dollar	2	854	129	123
Singapore Dollar	510	381	1,670	2,312
	38,635	54,206	59,223	68,524

Sensitivity analysis for foreign currency risk at the end of each reporting period is not presented as changes in exchange rates would not materially affect the profit or loss of the Group.

2.13 CASH AND BANK BALANCES

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Cash and bank balances	66,421	66,552	71,341	78,146
Deposits with licensed banks	23,000	101	69,330	194,320
	89,421	66,653	140,671	272,466

(a) Deposits with licensed banks of the Group have maturity periods ranging from 1 day to 366 days (31.12.2019: 2 days to 366 days, 31.12.2018: 365 days, 31.12.2017: 30 days).

(b) Included in the cash and bank balances of the Group are amounts of RM28,477,000 (31.12.2019: RM30,678,000; 31.12.2018: nil; 31.12.2017: nil) and RM8,095,000 (31.12.2019: RM8,082,000; 31.12.2018: nil; 31.12.2017: nil) held under the Operating Accounts and Debt Service Reserve Accounts ("DSRAs") respectively in relation to the borrowings as disclosed in Note 2.16(b) to the financial statements. The Group assigned and charged to the Security Agent all its rights, interests, titles and benefits to the Operating Accounts and DSRAs as securities for the repayment of the total secured amounts in respect of revolving credits and term loans amounting to RM144,500,000 (31.12.2019: RM187,000,000; 31.12.2018: nil; 31.12.2017: nil) and RM400,000,000 (31.12.2019: RM400,000,000; 31.12.2018: nil; 31.12.2017: nil) respectively.

(c) The currency exposure profile of the cash and bank balances is as follows:

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Ringgit Malaysia	84,251	63,631	130,853	261,746
United States Dollar	183	281	1,998	230
Brunei Dollar	4,283	2,703	7,585	10,254
Chinese Yuan	2	2	2	2
Hong Kong Dollar	-	1	2	2
Vietnamese Dong	-	14	13	12
Euro	2	2	2	2
Singapore Dollar	700	19	178	192
Philippine Peso	-	-	19	18
Indian Rupee	-	-	19	8
	89,421	66,653	140,671	272,466

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.13 CASH AND BANK BALANCES (continued)

(c) The currency exposure profile of the cash and bank balances is as follows: (continued)

Sensitivity analysis for foreign currency risk at the end of each reporting period is not presented as changes in exchange rates would not materially affect the profit or loss of the Group.

(d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000	30.6.2019 Unaudited RM'000
Cash and bank balances	66,421	66,552	71,341	78,146	69,161
Deposits with licensed banks	23,000	101	69,330	194,320	102,736
	89,421	66,653	140,671	272,466	171,897
Less:					
Deposits with a licensed bank with original maturity of more than three (3) months	-	(101)	(104)	(104)	(104)
Restricted bank balances	-	-	(8,082)	(8,095)	(8,070)
Bank overdraft (Note 2.16)	-	(15,667)	(7,109)	(17,004)	(21)
Cash and cash equivalents included in the consolidated statements of cash flows	89,421	50,885	125,376	247,263	163,702

The restricted bank balances represent monies held in DSRAs as disclosed in Note 2.13(b) to the financial statements, which are restricted in usage and do not form part of cash and cash equivalents.

(e) Weighted average effective interest rate of deposits with licensed banks of the Group as at the end of each reporting period is as follows:

	31.12.2017 Audited %	31.12.2018 Audited %	31.12.2019 Audited %	30.6.2020 Audited %
Fixed rate	3.49	4.20	2.95	1.95

Sensitivity analysis for fixed rate instruments at the end of each reporting period is not presented as fixed rate instruments are not affected by changes in interest rates.

(f) No expected credit losses were recognised arising from the cash and bank balances and deposits with licensed banks as the probability of default by these financial institutions is negligible.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.14 SHARE CAPITAL

	Note	31.12.2017 Audited	31.12.2018 Audited	31.12.2019 Audited	30.6.2020 Audited
Number of ordinary shares					
Issued and fully paid					
As at 1 January/31 December /30 June		10,000	10,000	10,000	10,000

Ordinary shares	Note	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Issued and fully paid					
As at 1 January		10	1,970	1,970	1,970
Transferred pursuant to Companies Act 2016	(a)	1,960	-	-	-
As at 31 December/30 June		1,970	1,970	1,970	1,970

(a) Upon the enforcement of the Companies Act 2016 ("CA2016") on 31 January 2017:

(i) the Company's share capital is in a no par value regime since 31 January 2017; and

(ii) the concepts of authorised share capital and par value of share capital had been abolished. Consequently, balance within the share premium account of RM1,960,000 had been transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the CA2016. There was no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(b) The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

2.15 RESERVES

	Note	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Non-distributable:					
Merger reserve	(a)	(117,450)	(117,450)	(117,450)	(117,450)
Foreign currency translation reserve	(b)	9	42	59	163
		(117,441)	(117,408)	(117,391)	(117,287)
Distributable:					
Retained earnings		464,703	640,000	455,895	571,338
		347,262	522,592	338,504	454,051

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.15 RESERVES (continued)

(a) The merger reserve represents the excess of the consideration paid over the share capital of Mr D.I.Y. Management Sdn. Bhd. and Mr. D.I.Y. (B) Sdn. Bhd. as at the acquisition dates under the pooling of interest method of accounting as follows:

	Mr D.I.Y. Management Sdn. Bhd. RM'000	Mr. D.I.Y.(B) Sdn. Bhd. RM'000	Total RM'000
Consideration paid	13,111	104,842	117,953
Less: Share capital as at acquisition date	(500)	(3)	(503)
Merger reserve	12,611	104,839	117,450

(b) The foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of a foreign operation whose functional currency is different from that of the presentation currency of the Group.

2.16 BORROWINGS

	Note	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Non-current liabilities					
Secured					
Revolving credits		-	14,080	187,000	-
Hire purchase creditors		1,971	2,232	2,141	2,283
Term loans		26,892	31,392	422,400	20,520
		28,863	47,704	611,541	22,803
Current liabilities					
Secured					
Bank overdraft		-	15,667	7,109	17,004
Revolving credits		-	23,520	-	164,500
Hire purchase creditors		392	436	433	348
Term loans		1,802	4,688	4,272	404,197
		2,194	44,311	11,814	586,049
Total borrowings					
Bank overdraft	2.13	-	15,667	7,109	17,004
Revolving credits		-	37,600	187,000	164,500
Hire purchase creditors	2.17	2,363	2,668	2,574	2,631
Term loans	2.18	28,694	36,080	426,672	424,717
		31,057	92,015	623,355	608,852

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.16 BORROWINGS (continued)

(a) Borrowings are classified as financial liabilities measured at amortised cost.

(b) The bank overdraft, revolving credits and term loans of the Group are secured as follows:

(i) Legal charges over certain freehold land and buildings of the Group as disclosed in Note 2.6 to the financial statements;

(ii) Assignment and charge over all shares in certain subsidiaries of the Company and rental proceeds of certain properties of the Group;

(iii) Assignment and charge over the Operating Accounts and DSRAs of the Group as disclosed in Note 2.13(b) to the financial statements;

(iv) Personal guarantee by a Director of the Company (31.12.2019: Personal guarantee by a Director of the Company, 31.12.2018 and 31.12.2017: Personal, joint and several guarantee by certain Directors of the Company); and

(v) Corporate guarantee by the Company and its subsidiaries.

The above personal guarantee by a Director of the Company was released subsequent to the end of the financial period ended 30 June 2020.

(c) Borrowings of the Group are denominated in Ringgit Malaysia.

(d) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the Group that are exposed to interest rate risk:

Audited	Weighted average effective interest rate per annum %	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Group						
31 December 2017						
Fixed rates						
Hire purchase creditors	5.33	392	374	963	634	2,363
Floating rates						
Term loans	4.61	1,802	1,855	5,911	19,126	28,694
31 December 2018						
Fixed rates						
Hire purchase creditors	5.45	436	432	1,180	620	2,668
Floating rates						
Bank overdraft	5.85	15,667	-	-	-	15,667
Revolving credits	5.48	23,520	3,520	10,560	-	37,600
Term loans	5.16	4,688	4,910	16,189	10,293	36,080

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.16 BORROWINGS (continued)

(d) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the Group that are exposed to interest rate risk: (continued)

Audited	Weighted average effective interest rate per annum %	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Group						
31 December 2019						
Fixed rates						
Hire purchase creditors	5.56	433	446	1,195	500	2,574
Floating rates						
Bank overdraft	5.60	7,109	-	-	-	7,109
Revolving credits	5.08	-	187,000	-	-	187,000
Term loans	5.09	4,272	404,508	10,746	7,146	426,672
30 June 2020						
Fixed rates						
Hire purchase creditors	5.61	348	471	1,258	554	2,631
Floating rates						
Bank overdraft	4.60	17,004	-	-	-	17,004
Revolving credits	4.08	164,500	-	-	-	164,500
Term loans	4.07	404,197	4,630	8,685	7,205	424,717

(e) Sensitivity analysis of interest rate for the floating rate instruments at the end of each reporting period, assuming all other variables remain constant, is as follows:

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000
Effects of 50 basis point changes to profit after tax				
Floating rate instruments	109	340	2,359	2,304

Sensitivity analysis for fixed rate borrowings as at the end of each reporting period is not presented as fixed rate instruments are not affected by changes in interest rates.

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.16 BORROWINGS (continued)

(f) The table below summarises the maturity profile of the borrowings of the Group at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

Audited	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
31 December 2017				
Hire purchase creditors	519	1,412	860	2,791
Term loans	3,074	11,977	23,223	38,274
	3,593	13,389	24,083	41,065
31 December 2018				
Bank overdraft	15,667	-	-	15,667
Revolving credits	25,476	15,591	-	41,067
Hire purchase creditors	574	1,911	653	3,138
Term loans	6,428	25,376	11,775	43,579
	48,145	42,878	12,428	103,451
31 December 2019				
Bank overdraft	7,109	-	-	7,109
Revolving credits	9,506	196,992	-	206,498
Hire purchase creditors	565	1,916	531	3,012
Term loans	25,871	421,328	8,146	455,345
	43,051	620,236	8,677	671,964
30 June 2020				
Bank overdraft	17,004	-	-	17,004
Revolving credits	168,908	-	-	168,908
Hire purchase creditors	435	1,997	613	3,045
Term loans	416,079	15,705	8,182	439,966
	602,426	17,702	8,795	628,923

(g) Hire purchase creditors that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value, are as follows:

Audited	Carrying amount RM'000	Fair value RM'000
31 December 2017		
Hire purchase creditors	2,363	2,331
31 December 2018		
Hire purchase creditors	2,668	2,619
31 December 2019		
Hire purchase creditors	2,574	2,518
30 June 2020		
Hire purchase creditors	2,631	2,547

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.16 BORROWINGS (continued)

(g) Hire purchase creditors that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value, are as follows: (continued)

Fair values of the hire purchase creditors are estimated by discounting future contracted cash flows at the current market interest rate available to the Group for similar financial instruments.

Fair value of the hire purchase creditors of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year/period.

(h) Reconciliation of liabilities arising from financing activities

The table below details changes in borrowings of the Group arising from financing activities, including both cash and non-cash changes. Borrowings arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statements of cash flows of the Group as cash flows from financing activities.

<u>Audited</u>	Hire purchase creditors RM'000	Revolving credits RM'000	Term loans RM'000
As at 1 January 2017	2,329	-	23,749
Cash flows	(856)	-	(1,455)
Non-cash flows:			
Purchase of property, plant and equipment	890	-	6,400
As at 31 December 2017	2,363	-	28,694
As at 1 January 2018	2,363	-	28,694
Cash flows	(476)	37,600	7,386
Non-cash flows:			
Purchase of property, plant and equipment	781	-	-
As at 31 December 2018	2,668	37,600	36,080
As at 1 January 2019	2,668	37,600	36,080
Cash flows	(701)	149,400	390,592
Non-cash flows:			
Purchase of property, plant and equipment	607	-	-
As at 31 December 2019	2,574	187,000	426,672
As at 1 January 2020	2,574	187,000	426,672
Cash flows	(162)	(22,500)	(1,955)
Non-cash flows:			
Purchase of property, plant and equipment	186	-	-
Accrued interest	33	-	-
As at 30 June 2020	2,631	164,500	424,717
<u>Unaudited</u>			
As at 1 January 2019	2,668	37,600	36,080
Cash flows	(396)	198,240	397,707
Non-cash flows:			
Purchase of property, plant and equipment	263	-	-
As at 30 June 2019	2,535	235,840	433,787

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.17 HIRE PURCHASE CREDITORS

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Minimum hire-purchase payment:				
- not later than one (1) year	519	574	565	435
- later than one (1) year and not later than five (5) years	1,412	1,911	1,916	1,997
- later than five (5) years	860	653	531	613
	2,791	3,138	3,012	3,045
Less: Future interest charges	(428)	(470)	(438)	(414)
Present value of hire purchase creditors	2,363	2,668	2,574	2,631
Repayable as follows:				
Current liabilities	392	436	433	348
Non-current liabilities	1,971	2,232	2,141	2,283
	2,363	2,668	2,574	2,631

2.18 TERM LOANS

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Secured				
Term loan I is repayable by 240 equal monthly instalments of RM63,186 each commencing May 2015	9,203	-	-	-
Term loan II is repayable by 180 equal monthly instalments of RM38,635 each commencing September 2015	4,434	4,175	3,903	3,816
Term loan III is repayable by 180 equal monthly instalments of RM77,269 each commencing December 2015	9,030	8,518	7,982	7,808
Term loan IV is repayable by 120 equal monthly instalments of RM18,000 each commencing July 2017	2,052	1,836	-	-
Balance carried forward	24,719	14,529	11,885	11,624

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.18 TERM LOANS (continued)

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Secured (continued)				
Balance brought forward	24,719	14,529	11,885	11,624
Term loan V is repayable by 120 equal monthly instalments of RM17,667 each and a final instalment of RM17,627 commencing April 2017	1,961	1,749	-	-
Term loan VI is repayable by 120 equal monthly instalments of RM17,667 each and a final instalment of RM17,627 commencing July 2017	2,014	1,802	-	-
Term loan VII is repayable by 60 equal monthly instalments of RM191,288.67 each commencing January 2019	-	10,000	8,215	7,274
Term loan VIII is repayable by 60 equal monthly instalments of RM153,030.93 each commencing January 2019	-	8,000	6,572	5,819
Term loan IX is repayable by March 2021	-	-	400,000	400,000
	28,694	36,080	426,672	424,717

2.19 PROVISION FOR RESTORATION COSTS

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Non-current				
Provision for restoration costs	9,235	13,280	14,218	15,864
Current				
Provision for restoration costs	698	624	510	674
	9,933	13,904	14,728	16,538

(a) Provision for restoration costs comprises estimates of reinstatement costs for retail outlets upon termination of tenancy.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.19 PROVISION FOR RESTORATION COSTS (continued)

(b) A reconciliation of the provision for restoration costs are as follows:

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
As at 1 January	6,597	9,933	13,904	14,728
Recognised in right-of-use assets	3,003	3,840	3,481	1,553
Recognised in profit or loss	466	670	717	359
Reversal of provision for restoration costs	(132)	(539)	(3,374)	(102)
Exchange differences	(1)	-	-	-
As at 31 December/30 June	9,933	13,904	14,728	16,538

(c) The Group estimates provision for restoration costs based on historical costs incurred per square feet of rent area. The estimated provision for restoration costs are reviewed periodically and are updated if expectations differ from previous estimates due to changes in cost factors. Where expectations differ from the original estimates, the differences would impact the carrying amount of provision for restoration costs of the Group.

2.20 TRADE AND OTHER PAYABLES

	Note	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Trade payables					
Third parties	(b)	11,840	17,083	23,873	44,316
Other payables and accruals					
Third parties		10,284	16,248	18,922	14,419
Amounts owing to Directors	(c)	35	-	-	-
Amount owing to an associate	(c)	1,067	973	1,269	755
Amounts owing to shareholders of holding company	(c),(d)	104,323	104,323	-	-
Amounts owing to related parties	(c),(d)	2,483	519	-	-
Deposits		267	267	267	267
Accruals		17,321	33,961	37,467	46,162
		135,780	156,291	57,925	61,603
		147,620	173,374	81,798	105,919

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.20 TRADE AND OTHER PAYABLES (continued)

(a) Trade and other payables are classified as financial liabilities measured at amortised cost.

(b) Trade payables are non-interest bearing and the normal credit terms granted to the Group ranged from 14 to 60 days (31.12.2019: 14 to 60 days; 31.12.2018: 14 to 60 days; 31.12.2017: 14 to 60 days) from the date of invoice.

(c) The amounts owing to Directors, an associate, shareholders of holding company and related parties are non-trade in nature, unsecured, interest free and repayable within the next twelve (12) months.

(d) As at 31 December 2017 and 31 December 2018, included in amounts owing to shareholders of holding company and related parties were amounts of RM104,323,000 and RM519,000 respectively totalling RM104,842,000 in relation to the purchase consideration for the acquisition of Mr. D.I.Y. (B) Sdn. Bhd. by the Group as disclosed in Note 2.32(d) to the financial statements.

These amounts were accounted for as if the acquisition had occurred from the date when the entity was under common control based on the pooling of interest method of accounting.

(e) The currency exposure profile of trade and other payables are as follows:

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Ringgit Malaysia	145,338	173,088	81,650	105,675
United States Dollar	-	80	-	-
Brunei Dollar	317	205	148	232
Singapore Dollar	1,965	1	-	12
	147,620	173,374	81,798	105,919

Sensitivity analysis for foreign currency risk at the end of each reporting period is not presented as changes in exchange rates would not materially affect the profit or loss of the Group.

(f) Maturity profile of trade and other payables of the Group at the end of each reporting period based on contractual undiscounted repayment obligations is repayable within one (1) year.

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.21 CAPITAL COMMITMENTS

	31.12.2017 Audited RM'000	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	30.6.2020 Audited RM'000
Capital expenditure in respect of purchase of property, plant and equipment				
- Approved but not contracted for	-	-	78,800	55,474
- Contracted but not provided for	-	30,561	40,320	51,792
	-	30,561	119,120	107,266

2.22 REVENUE

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Revenue from contracts with customers					
Sales of goods	1,229,216	1,771,058	2,275,587	1,050,749	1,096,730

(a) Revenue from sales of goods is recognised at a point in time when control of the goods have been transferred to the customer, which coincides with the delivery of goods and acceptance by customers.

(b) Disaggregation of revenue from contracts with customers has been presented in the operating segments as disclosed in Note 2.5 to the financial statements, which has been presented based on geographical location from which the sale transactions originated. No revenue was recognised over time.

2.23 OTHER OPERATING EXPENSES

Included in other operating expenses are as follows:

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Amortisation of intangible assets	493	639	917	537	387
Depreciation of:					
- property, plant and equipment	19,993	30,865	41,523	24,141	19,443
- right-of-use assets	51,572	72,749	96,201	56,350	45,231
Employee benefits	104,877	140,580	199,044	110,205	92,710
Property, plant and equipment written off	920	640	1,939	434	573
Utilities expenses	17,279	26,469	36,446	17,679	17,081

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.24 FINANCE COSTS

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Interest expense on:					
- bank overdraft	26	212	157	129	74
- revolving credits	-	175	8,261	4,043	3,376
- hire purchase creditors	130	147	146	70	75
- term loans	1,197	1,274	17,952	9,464	6,958
- lease liabilities	19,190	27,648	37,373	21,975	17,661
- unwinding of discount on provision for restoration costs	466	670	717	359	351
	21,009	30,126	64,606	36,040	28,495

2.25 PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
After charging:					
Auditors' remuneration:					
- Statutory audit					
- current year/period	269	326	372	187	187
Loss on reassessments and modifications of leases	-	-	-	-	598
Proposed listing expenses	-	-	3,813	3,104	2,196
Realised loss on foreign exchange	88	201	100	173	73
Unrealised loss on foreign exchange	132	54	65	-	11
And crediting:					
Interest income	1,133	1,489	3,120	1,498	1,977
Gain on disposal of property, plant and equipment	155	195	306	132	159
Gain on reassessments and modifications of leases	-	-	473	444	-
Realised gain on foreign exchange	550	244	334	164	102
Rental income	7	16	17	6	8
Unrealised gain on foreign exchange	-	-	-	48	-

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.26 EMPLOYEE BENEFITS

The total amounts of employee benefits included in administrative expenses and other operating expenses during the financial years/periods are as follows:

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Wages, salaries and bonuses	108,365	151,306	194,336	113,124	96,639
Contributions to defined contribution plan	9,185	11,763	19,335	9,677	7,793
Other employee benefits	7,312	11,340	13,793	8,591	5,365
	124,862	174,409	227,464	131,392	109,797

Included in employee benefits of the Group are Directors' remuneration as follows:

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Directors of the Company:					
Fee	94	94	276	173	138
Salaries and bonuses	1,931	1,936	2,116	824	819
Contributions to defined contribution plan	279	232	314	126	123
Other employee benefits	304	307	218	106	110
	2,608	2,569	2,924	1,229	1,190
Directors of subsidiaries:					
Fee	-	-	47	-	-
Salaries and bonuses	128	-	736	277	293
Contributions to defined contribution plan	15	-	89	33	35
Other employee benefits	19	-	148	61	74
	162	-	1,020	371	402
	2,770	2,569	3,944	1,600	1,592

The estimated money value of benefits-in-kind for the Directors of the Company and the Directors of subsidiaries are nil (31.12.2019: nil, 31.12.2018: RM26,000, 31.12.2017: RM23,000, 30.6.2019: nil) and nil (31.12.2019: RM15,000, 31.12.2018: nil, 31.12.2017: RM19,000, 30.6.2019: nil) respectively.

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.27 INCOME TAX EXPENSE

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Current tax expense					
- current year/period	73,756	100,332	121,390	45,754	57,214
- (over)/under provision in prior years	(158)	(4,607)	(2,286)	35	16
	73,598	95,725	119,104	45,789	57,230
Deferred tax (Note 2.10)					
- relating to origination and reversal of temporary differences	(4,104)	(5,287)	(2,238)	(2,020)	(671)
- under/(over) provision in prior years	380	(310)	3,299	495	3,385
	(3,724)	(5,597)	1,061	(1,525)	2,714
	69,874	90,128	120,165	44,264	59,944

(a) The Malaysian income tax is calculated at the statutory tax rate of 24% (31.12.2019: 24%, 31.12.2018: 24%, 31.12.2017: 24%, 30.6.2019: 24%) of the estimated taxable profits for the fiscal years/periods.

(b) Tax expense for the taxation authorities in Brunei is calculated at the rate prevailing in that jurisdiction.

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.27 INCOME TAX EXPENSE (continued)

(c) The numerical reconciliations between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group are as follows:

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Profit before tax	279,882	398,461	437,733	159,707	214,378
Tax at the Malaysian statutory tax rate of 24%	67,172	95,631	105,056	38,330	51,451
Tax effects in respect of:					
Non-deductible expenses	2,972	4,099	13,602	5,647	4,310
Non-taxable income	(15)	(709)	(981)	(544)	(139)
Different tax rate in foreign jurisdiction	(343)	(338)	(353)	(163)	(172)
Deferred tax assets not recognised	-	-	1,828	464	1,093
Effects of reduction in tax rate on incremental chargeable income	-	(3,638)	-	-	-
Tax incentives	(134)	-	-	-	-
	69,652	95,045	119,152	43,734	56,543
(Over)/Under provision of tax expense in prior years	(158)	(4,607)	(2,286)	35	16
Under/(Over) provision of deferred tax in prior years	380	(310)	3,299	495	3,385
	69,874	90,128	120,165	44,264	59,944

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.27 INCOME TAX EXPENSE (continued)

(d) Tax on each component of other comprehensive income is as follows:

	Before tax RM'000	Tax effect RM'000	After tax RM'000
Items that may be reclassified subsequently to profit or loss			
1.1.2017 to 31.12.2017			
Foreign currency translations	9	-	9
1.1.2018 to 31.12.2018			
Foreign currency translations	33	-	33
1.1.2019 to 31.12.2019			
Foreign currency translations	17	-	17
1.1.2020 to 30.6.2020			
Foreign currency translations	104	-	104
1.1.2019 to 30.6.2019			
Foreign currency translations	41	-	41

2.28 EARNINGS PER SHARE

(a) Basic

Basic earnings per ordinary share for the financial years/periods ended are calculated by dividing earnings for the financial years/periods attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial years/periods.

	1.1.2017 to 31.12.2017 Audited	1.1.2018 to 31.12.2018 Audited	1.1.2019 to 31.12.2019 Audited	1.1.2020 to 30.6.2020 Audited	1.1.2019 to 30.6.2019 Unaudited
Net profit for the financial year/period attributable to the owners of the Company (RM'000)	210,008	308,333	317,568	115,443	154,434
Weighted average number of ordinary shares in issue	10,000	10,000	10,000	10,000	10,000
Basic earnings per ordinary share (RM)	21,001	30,833	31,757	11,544	15,443

(b) Diluted

The diluted earnings per ordinary share equal basic earnings per ordinary share because there were no potential dilutive ordinary shares as at the end of the reporting period.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.29 DIVIDENDS

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Interim single tier					
RM4,000.00 per ordinary share	-	40,000	-	-	-
RM3,000.00 per ordinary share	-	30,000	-	-	-
RM3,035.50 per ordinary share*	-	3,036	-	-	-
RM6,000.00 per ordinary share	-	60,000	-	-	-
RM23,000.00 per ordinary share	-	-	230,000	-	230,000
RM27,000.00 per ordinary share	-	-	270,000	-	270,000
RM1,673.00 per ordinary share*	-	-	1,673	-	1,673
	-	133,036	501,673	-	501,673

* Distributed to former shareholders of Mr. D.I.Y. (B) Sdn. Bhd..

2.30 RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other parties.

The Company has controlling related party relationship with its subsidiaries and its holding company.

Related parties of the Group include:

(i) Direct subsidiaries as disclosed in Note 2.32 to the financial statements;

(ii) An associate as disclosed in Note 2.9 to the financial statements;

(iii) Companies in which certain Directors have financial interests; and

(iv) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.30 RELATED PARTY DISCLOSURES (continued)

(b) In addition to the transactions detailed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties during the financial years/periods:

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Associate:					
Purchases of equipment and computer software	2,325	4,299	5,147	2,013	1,898
Purchases of goods	1,952	3,089	2,959	1,399	746
Companies in which certain Directors have financial interests:					
Sales of goods	-	2,052	15,886	9,029	6,461
Management fees	-	-	-	1,461	-
Reimbursable expenses paid on behalf	366	1,595	3,478	108	1,572
Directors of the Group:					
Purchase of building	8,000	-	-	-	-
Rental expenses payable	175	-	-	-	-

The related party transactions described above were carried out in the ordinary course of business and have been established under negotiated and mutually agreed terms.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director of the Group.

The remuneration of the Directors of the Group and other members of key management during the financial years/periods are as follows:

	1.1.2017 to 31.12.2017 Audited RM'000	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 30.6.2020 Audited RM'000	1.1.2019 to 30.6.2019 Unaudited RM'000
Director fees	94	94	323	173	138
Salaries and bonuses	2,910	2,961	4,178	1,683	1,613
Contributions to defined contribution plan	397	356	563	231	219
Other employee benefits	517	504	570	266	288
Estimated money value of benefits-in-kind	55	46	34	-	-
	3,973	3,961	5,668	2,353	2,258

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.31 CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial years/period ended 31 December 2017, 31 December 2018, 31 December 2019 and 30 June 2020.

The Group monitors capital utilisation on the basis of gearing ratio and net gearing ratio. Gearing ratio represents total borrowings divided by total capital whereas net gearing ratio represents total borrowings less cash and bank balances divided by total capital. Total capital represents equity attributable to the owners of the Company. The gearing ratio and net gearing ratio as at 31 December 2017, 31 December 2018, 31 December 2019 and 30 June 2020 are as follows:

	31.12.2017 Audited RM'000	**31.12.2018 Audited RM'000**	**31.12.2019 Audited RM'000**	**30.6.2020 Audited RM'000**
Total borrowings	31,057	92,015	623,355	608,852
Less: Cash and bank balances	(89,421)	(66,653)	(140,671)	(272,466)
	(58,364)	25,362	482,684	336,386
Equity attributable to the owners of the Company	349,232	524,562	340,474	456,021
Gearing ratio (%)	9%	18%	183%	134%
Net gearing ratio (%)	N/A *	5%	142%	74%

* The net gearing ratio for the Group is not presented as the Group is in a net cash position.

The Group is not subject to any other externally imposed capital requirements.

(b) Financial risk management

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from liquidity and cash flow risk, interest rate risk, credit risk and foreign currency risk.

The Directors of the Group review and agree policies and procedures for the management of these risks, which are executed by the management of the Group. It is, and has been the policy of the Group, throughout the current financial period and previous financial years that no derivatives shall be undertaken.

The following sections provide details regarding the exposure of the Group to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.31 CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(i) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group is actively managing its operating cash flows to ensure all commitments and funding needs are met. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 2.8, 2.16 and 2.20 to the financial statements.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market interest rates. The exposure of the Group to interest rates risk arises primarily from their floating interest rate borrowings. The Group does not use derivative financial instruments to hedge this risk.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 2.13 and 2.16 to the financial statements.

(iii) Credit risk

Credit risk refers to the risk that a counterparty would default on its contractual obligations resulting in financial loss to the Group.

Cash deposits and trade receivables could give rise to credit risk, which requires the loss to be recognised if a counterparty fails to perform as contracted. It is the policy of the Group to only deal with creditworthy counterparties. The exposure and the creditworthiness of the counterparties of the Group are continuously monitored to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade and other receivables. The trading terms of the Group with their trade receivables are mainly for a period of 30 days. The Group seeks to maintain strict control over its outstanding receivables including deposits to minimise credit risk. In addition, receivable balances are monitored on an ongoing basis to mitigate the exposure of the Group to bad debts.

At the end of each reporting period, the maximum exposure to credit risk of the Group is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The credit risk concentration profile of trade and other receivables has been disclosed in Note 2.12(i) to the financial statements.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.31 CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rate.

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currencies of the operating entities. Exposure in foreign currency is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

The foreign currency profile and sensitivity analysis have been disclosed in Notes 2.12, 2.13 and 2.20 to the financial statements.

2.32 LIST OF SUBSIDIARIES

The subsidiaries of Mr D.I.Y. Group (M) Berhad are as follows:

	[-----------Effective interest in equity held-----------]				
Name of company	**31.12.2017**	**31.12.2018**	**31.12.2019**	**30.6.2020**	**Principal activities**
	%	%	%	%	
Mr D.I.Y. (Kuchai) Sdn. Bhd.	100	100	100	100	Dealing with hardware and related business activities
Mr. D.I.Y. (M) Sdn. Bhd.	100	100	100	100	Dealing with hardware and related business activities
Mr D.I.Y. (KK) Sdn. Bhd.	100	100	100	100	Dealing with hardware and related business activities
Mr. D.I.Y. (H) Sdn. Bhd.	100	100	100	100	Dealing with hardware and related business activities
Mr D.I.Y. (Johor) Sdn. Bhd.	100	100	100	100	Dealing with hardware and related business activities
Mr. D.I.Y. (EM) Sdn. Bhd.	100	100	100	100	Dealing with hardware and related business activities
Mr D.I.Y. Sdn. Bhd.	100	100	100	100	Trading in hardware and related services
Mr D.I.Y. Ecommerce (M) Sdn. Bhd.	100	100	100	100	Retail sale of any kind of products over the internet
Mr. D.I.Y. Trading Sdn. Bhd.	100	100	100	100	Dealing with hardware and related business activities
Mr D.I.Y. Management Sdn. Bhd. ("MDM")	95	95	95	95	Letting of warehouse and property
Mr D.I.Y. Kids Sdn. Bhd.	-	-	100	100	Retail sale of games and toys

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.32 LIST OF SUBSIDIARIES (continued)

The subsidiaries of Mr D.I.Y. Group (M) Berhad are as follows: (continued)

Name of company	[------------Effective interest in equity held---------]				Principal activities
	31.12.2017	31.12.2018	31.12.2019	30.6.2020	
	%	%	%	%	
Mr. D.I.Y. (B) Sdn. Bhd. ("MD(B)")* (Incorporated in Brunei)	-	-	100	100	Dealing with hardware and related business activities
Mr. Dollar Sdn. Bhd.	-	-	-	100	Retail of home improvement products, mass merchandise and groceries

* Audited by a member firm of BDO International

(a) The country of incorporation and principal place of business of the above subsidiaries is in Malaysia except for MD(B).

(b) During the financial year ended 31 December 2017, the Company acquired the rights to subscribe for 9,500,000 ordinary shares in MDM representing 95% interest of the enlarged issued and paid up share capital of the entity from certain shareholders of the holding company for a consideration of RM13,111,000. Subsequently, the Company had subscribed the 9,500,000 ordinary shares in MDM at RM1 per ordinary share during that financial year. Upon completion of the subscription of the ordinary shares, MDM became a subsidiary of the Company.

As part of the acquisition, the existing shareholders representing the remaining 5% equity interest in Mr D.I.Y. Management Sdn. Bhd. had also waived all their present and future rights, title, interest in and to all dividends declared, distributed or paid by Mr D.I.Y. Management Sdn. Bhd. Consequently, the Group has consolidated Mr D.I.Y. Management Sdn. Bhd. based on 100% ownership interest.

As MDM was under common control before and after the subscription, the Group applied the pooling of interest method of accounting and the consolidated financial statements have been accounted for as if the subscription had occurred from the date when the entity was under common control.

(c) During the financial year ended 31 December 2019, the Company incorporated a new subsidiary known as Mr D.I.Y. Kids Sdn. Bhd. with a paid up share capital of RM1 comprising 1 ordinary share. On 11 April 2019, the Company subscribed for additional 2,999,999 ordinary shares in Mr D.I.Y. Kids Sdn. Bhd. at RM1 per ordinary share.

(d) During the financial year ended 31 December 2019, the Company had entered into a sale and purchase agreement to acquire the entire equity interest in MD(B) comprising 1,000 ordinary shares for a total purchase consideration of RM90,000,000 in three tranches of RM30,000,000 each. The purchase consideration was subject to adjustment where the actual profit after tax of MD(B) for the financial year 2018 was more than RM4,500,000 but less than RM5,500,000. The acquisition of MD(B) was completed on 10 May 2019 and the final purchase consideration was determined at RM104,842,260.

Upon completion of the above acquisition, the Company became the legal parent company of MD(B). As MD(B) was under common control before and after the acquisition, the Group applied the pooling of interest method of accounting and the consolidated financial statements have been accounted for as if the acquisition had occurred from the date when the entity was under common control. Accordingly, the results of the Group have been accounted for as if the acquisition had occurred from the date when the entity was under common control.

2. **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

2.32 LIST OF SUBSIDIARIES (continued)

(e) On 3 June 2020, the Company incorporated a new wholly-owned subsidiary known as Mr. Dollar Sdn. Bhd. with a paid up share capital of RM2 comprising 2 ordinary shares. On 23 July 2020, the Company subscribed for additional 999,998 ordinary shares in Mr. Dollar Sdn. Bhd. at RM1 per ordinary share.

2.33 ADOPTION OF MFRS AND AMENDMENTS TO MFRS

2.33.1 New MFRS adopted during the financial period

The financial statements of the Group for the financial year ended 31 December 2017 were previously prepared in accordance with MPERS. During the financial year ended 31 December 2018, the Group adopted MFRS for the first-time and the financial statements for the financial year ended 31 December 2018 are the first financial statements of the Group prepared in accordance with MFRS. In adopting the new MFRS Framework, the Group applied the transition requirements in MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*. In addition, the Group has also early adopted MFRS 16 *Leases* for the financial year ended 31 December 2018. Accordingly, comparative information for the financial year ended 31 December 2017 has been restated to give effect to these changes.

The Group adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial period:

Title	Effective Date
Amendments to *References to the Conceptual Framework in MFRS Standards*	1 January 2020
Amendments to MFRS 3 *Definition of a Business*	1 January 2020
Amendments to MFRS 101 and MFRS 108 *Definition of Material*	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*	1 January 2020
Amendment to MFRS 16 *Covid-19 Related Rent Concessions*	1 June 2020 (early adopted)

The Group has early adopted Amendment to MFRS 16 and elected to apply the practical expedient to all rent concessions relating to leases with similar characteristics and in similar circumstances. Consequently, the Group does not recognise changes in these lease payments as lease modifications and instead, recognise these as variable lease payments in profit or loss. The effects of early adoption are disclosed in Note 2.8(e) to the financial statements.

2.33.2 Explanation of transition to MFRS

The Group adjusted amounts previously reported in the financial statements that were prepared in accordance with the previous MPERS Framework for the Group. In preparing the opening consolidated statement of financial position at 1 January 2017 and the restated comparative information for the financial year ended 31 December 2017, an explanation on the impact arising from the adoption of MFRS on the financial position and financial performance of the Group is set out as follows.

2. **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

2.33 **ADOPTION OF MFRS AND AMENDMENTS TO MFRS (continued)**

2.33.2 **Explanation of transition to MFRS (continued)**

(a) Reconciliation of consolidated statements of financial position as at 1 January 2017

	Note	Previously reported under MPERS* RM'000	Effects on adoption of MFRS 16 RM'000	Effects on adoption of MFRS 138 RM'000	Reclassifications RM'000	Restated under MFRS RM'000
ASSETS						
Non-current assets						
Property, plant and equipment	(ii)	106,920	-	(1,303)	-	105,617
Intangible assets	(ii)	-	-	1,303	-	1,303
Right-of-use assets	(i)	-	272,449	-	-	272,449
Deferred tax assets	(i)	55	5,362	-	-	5,417
		106,975	277,811	-	-	384,786
Current assets						
Inventories		161,122	-	-	-	161,122
Trade and other receivables		38,117	-	-	-	38,117
Current tax assets		101	-	-	-	101
Cash and bank balances		36,040	-	-	-	36,040
		235,380	-	-	-	235,380
TOTAL ASSETS		342,355	277,811	-	-	620,166
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital		10	-	-	-	10
Share premium		1,960	-	-	-	1,960
Reserves	(i)	148,709	(11,464)	-	-	137,245
TOTAL EQUITY		150,679	(11,464)	-	-	139,215
LIABILITIES						
Non-current liabilities						
Borrowings		24,621	-	-	-	24,621
Lease liabilities	(i)	-	238,680	-	-	238,680
Provision for restoration costs	(i)	-	6,523	-	-	6,523
Deferred tax liabilities	(i)	2,489	1,665	-	-	4,154
		27,110	246,868	-	-	273,978
Current liabilities						
Trade and other payables		140,856	-	-	-	140,856
Borrowings		1,457	-	-	-	1,457
Lease liabilities	(i)	-	42,333	-	-	42,333
Provision for restoration costs	(i)	-	74	-	-	74
Current tax liabilities		22,253	-	-	-	22,253
		164,566	42,407	-	-	206,973
TOTAL LIABILITIES		191,676	289,275	-	-	480,951
TOTAL EQUITY AND LIABILITIES		342,355	277,811	-	-	620,166

* After applying the pooling of interest method of accounting on the acquisition of MD(B) as disclosed in Note 2.32(d) to the financial statements.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.33 ADOPTION OF MFRS AND AMENDMENTS TO MFRS (continued)

2.33.2 Explanation of transition to MFRS (continued)

(b) Reconciliation of consolidated statements of financial position as at 31 December 2017

	Note	Previously reported under MPERS* RM'000	Effects on adoption of MFRS 16 RM'000	Effects on adoption of MFRS 138 RM'000	Reclassi-fications RM'000	Restated under MFRS RM'000
ASSETS						
Non-current assets						
Property, plant and equipment	(i),(ii)	173,974	(6,021)	(1,733)	-	166,220
Intangible assets	(ii)	-	-	1,733	-	1,733
Right-of-use assets	(i)	-	385,395	-	-	385,395
Investment in an associate		2,175	-	-	-	2,175
Deferred tax assets	(i)	-	7,967	-	-	7,967
		176,149	387,341	-	-	563,490
Current assets						
Inventories		256,248	-	-	-	256,248
Trade and other receivables		56,360	-	-	-	56,360
Current tax assets		63	-	-	-	63
Cash and bank balances		89,421	-	-	-	89,421
		402,092	-	-	-	402,092
TOTAL ASSETS		578,241	387,341	-	-	965,582
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital		1,970	-	-	-	1,970
Reserves	(i)	361,924	(14,662)	-	-	347,262
TOTAL EQUITY		363,894	(14,662)	-	-	349,232
LIABILITIES						
Non-current liabilities						
Borrowings		28,863	-	-	-	28,863
Lease liabilities	(i)	-	339,266	-	-	339,266
Provision for restoration costs	(i)	7,653	1,582	-	-	9,235
Deferred tax liabilities	(i)	1,028	1,953	-	-	2,981
		37,544	342,801	-	-	380,345
Current liabilities						
Trade and other payables		147,620	-	-	-	147,620
Borrowings		2,194	-	-	-	2,194
Lease liabilities	(i)	-	60,965	-	-	60,965
Provision for restoration costs	(i)	2,461	(1,763)	-	-	698
Current tax liabilities		24,528	-	-	-	24,528
		176,803	59,202	-	-	236,005
TOTAL LIABILITIES		214,347	402,003	-	-	616,350
TOTAL EQUITY AND LIABILITIES		578,241	387,341	-	-	965,582

* After applying the pooling of interest method of accounting on the acquisition of MD(B) as disclosed in Note 2.32(d) to the financial statements.

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Kuala Lumpur

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.33 ADOPTION OF MFRS AND AMENDMENTS TO MFRS (continued)

2.33.2 Explanation of transition to MFRS (continued)

(c) Reconciliation of consolidated statements of profit or loss and other comprehensive income for the financial year ended 31 December 2017

	Note	Previously reported under MPERS* RM'000	Effects on adoption of MFRS 16 RM'000	Effects on adoption of MFRS 138 RM'000	Reclassi-fications RM'000	Restated under MFRS RM'000
Revenue		1,229,216	-	-	-	1,229,216
Cost of sales		(687,210)	-	-	-	(687,210)
Gross profit		542,006	-	-	-	542,006
Other operating income	(i)	2,338	133	-	-	2,471
Administrative expenses	(iii)	(256,626)	-	-	219,560	(37,066)
Other operating expenses	(i), (iii)	(1,204)	13,569	-	(219,560)	(207,195)
Profit from operations		286,514	13,702	-	-	300,216
Finance costs	(i)	(1,795)	(19,214)	-	-	(21,009)
Share of profit of an associate		675	-	-	-	675
Profit before tax		285,394	(5,512)	-	-	279,882
Income tax expense	(i)	(72,191)	2,317	-	-	(69,874)
Net profit for the financial year, attributable to the owners of the Company		213,203	(3,195)	-	-	210,008
Other comprehensive income, net of tax		12	(3)	-	-	9
Total comprehensive income, attributable to the owners of the Company		213,215	(3,198)	-	-	210,017

* After applying the pooling of interest method of accounting on the acquisition of MD(B) as disclosed in Note 2.32(d) to the financial statements.

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2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.33 ADOPTION OF MFRS AND AMENDMENTS TO MFRS (continued)

2.33.2 Explanation of transition to MFRS (continued)

Notes to reconciliations

(i) MFRS 16 *Leases*

The Group had early adopted MFRS 16 *Leases* and applied this Standard retrospectively during the financial year ended 31 December 2018. This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

A lessee measures right-of-use asset similarly to other non-financial assets (such as property, plant and equipment) and lease liability similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability.

Asset and liability arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments, and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

The right-of-use assets comprise mainly retail outlets and warehouses leased from landlord and recognised during the period. Subsequent to initial recognition, the right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of lease liabilities. The right-of-use assets are measured at the amounts equal to the lease liabilities, adjusted by any prepaid or accrued lease payments relating to the existing leases.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to the initial recognition, the Group measures the lease liabilities by increasing the carrying amount to reflect interest on the lease liabilities, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

(ii) Adoption of MFRS 138 *Intangible Assets*

The Group has assessed the classification of its assets in accordance with MFRS 138 *Intangible Assets* and resulting therefrom, certain carrying amounts relating to computer software that were previously classified as property, plant and equipment have been reclassified to intangible assets.

(iii) Reclassifications

The comparative figures for certain expenses under administrative expenses have been reclassified to other operating expenses to conform to the presentation of the financial year ended 31 December 2018.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.33 ADOPTION OF MFRS AND AMENDMENTS TO MFRS (continued)

2.33.3 New MFRS that have been issued, but only effective for annual periods beginning on or after 1 January 2021

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Group:

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137 *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for future financial years.

2.34 SIGNIFICANT EVENT DURING THE REPORTING PERIOD

The following is a significant event during the financial period ended 30 June 2020:

(a) The Coronavirus disease 2019 "COVID-19" pandemic

The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a global pandemic on 11 March 2020. This was followed by the Government of Malaysia issuing a Federal Government Gazette on 18 March 2020, imposing a Movement Control Order ("MCO") effective from 18 March 2020 to 31 March 2020 arising from the COVID-19 pandemic. The MCO was subsequently extended until 12 May 2020, followed by Conditional MCO until 9 June 2020 and then, Recovery MCO until 31 August 2020, which has now been further extended until 31 December 2020.

The COVID-19 pandemic has significantly affected the business operations of the Group, including a temporary halt on majority of its retail outlets' operations during the MCO period in compliance with the directive from the Government of Malaysia. Nevertheless, the Group has since resumed its business operations, including the operations of its retail outlets during the Conditional MCO and Recovery MCO with relatively encouraging sales performance. Further, the Group does not anticipate any significant supply chain, logistics and distribution disruptions due to the COVID-19 pandemic at this juncture.

Based on the assessment of the Group, there is no significant impact arising from the COVID-19 pandemic in respect of the judgements and assumptions used in the preparation of the financial statements for the financial period ended 30 June 2020. Notwithstanding that, the Group will continue to assess the impact of the COVID-19 pandemic on the financial statements of the Group for the financial year ending 31 December 2020, such as lease modifications, expected credit losses of financial assets, write down of inventories to net realisable values and impairment assessments of assets (property, plant and equipment, right-of-use assets and investments in subsidiaries and associate).

As at the date of authorisation of this report, the COVID-19 pandemic situation is still evolving and uncertain. The Group will continue to actively monitor and manage its operations to minimise any impact arising from the COVID-19 pandemic.

2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.35 SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The following are significant events subsequent to the end of the financial period ended 30 June 2020:

(a) Distribution of dividend

On 30 July 2020, the Company had distributed and paid a cash dividend of RM50,000,000 to its existing shareholders.

(b) Acquisition of a freehold industrial land together with a warehouse building and a leasehold industrial land by Mr D.I.Y. Management Sdn. Bhd.

On 5 August 2020, Mr D.I.Y. Management Sdn. Bhd., a subsidiary of the Company, entered into a Sale and Purchase Agreement to acquire a freehold industrial land together with a warehouse building for a purchase consideration of RM17,800,000. A total cash deposit of RM1,780,000 was paid and the balance of the purchase consideration shall be paid upon completion of the acquisition. As at the date of this report, the above acquisition has yet to be completed.

On 14 September 2020, Mr D.I.Y. Management Sdn. Bhd. also entered into a Sale and Purchase Agreement to acquire a leasehold industrial land for a purchase consideration of RM12,630,714. A total cash deposit of RM1,263,071 was paid and the balance of the purchase consideration shall be paid upon completion of the acquisition. As at the date of this report, the above acquisition has yet to be completed.

(c) Share issuance and subdivision

On 23 September 2020, the Company issued and allotted 60,872,000 new ordinary shares in the Company to the shareholders of the Company (except for Mr D.I.Y. Holdings (M) Sdn. Bhd. ("MDHM")) and the shareholders of MDHM and/or their investment holding companies at a total consideration of RM100,000 ("Share Issuance") to facilitate the re-organisation of the shareholding structure whereby the interests in the Company are held directly by the shareholders of MDHM and/or their investment holding companies. Upon completion of the Share Issuance, the total number of ordinary shares increased from 10,000 to 60,882,000 shares.

The Company had further carried out a subdivision of 1 existing ordinary share in the Company to 100 new ordinary shares in the Company ("Subdivision") on 23 September 2020. Upon completion of the Subdivision, the total number of ordinary shares in the Company increased to 6,088,200,000 shares.

2.36 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 23 September 2020.

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STATEMENT BY DIRECTORS

We, Tan Yu Yeh and Ong Chu Jin Adrian, two of the Directors of Mr D.I.Y. Group (M) Berhad, state that, in the opinion of the Directors, the consolidated financial statements set out on pages 1 to 81 are drawn up so as to give a true and fair view of the financial position of the Group as at 31 December 2017, 31 December 2018, 31 December 2019 and 30 June 2020 and of the financial performance and cash flows of the Group for the financial years ended 31 December 2017, 31 December 2018 and 31 December 2019 and for the financial period ended 30 June 2020 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution dated 23 September 2020.

Tan Yu Yeh
DIRECTOR

Ong Chu Jin Adrian
DIRECTOR

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Kuala Lumpur

14. ADDITIONAL INFORMATION

14.1 SHARE CAPITAL

(i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than six months after the date of issue of this Prospectus.

(ii) As at the LPD, we have only one class of shares in our Company, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.

(iii) Save as disclosed in Sections 4.2.1, 4.2.5 and 6.1.2 of this Prospectus, our Company has not issued or proposed to issue any shares, stocks or debentures as fully or partly paid-up in cash or otherwise, within the two years immediately preceding the date of this Prospectus.

(iv) As at the date of this Prospectus, save for the Issue Shares reserved for subscription by our Eligible Persons as disclosed in Section 4.2.3 of this Prospectus and the ESOS as disclosed in Section 4.2.5 of this Prospectus, there is currently no other scheme involving our employees and Directors in the share capital of our Company or any of our subsidiaries.

(v) Save for the ESOS as disclosed in Section 4.2.5 of this Prospectus, we have not agreed, conditionally or unconditionally, to put the share capital of our Company or any of our subsidiaries under option.

(vi) As at the date of this Prospectus, neither we nor our subsidiaries have any outstanding warrants, options, convertible securities or uncalled capital.

(vii) Save as disclosed in Sections 2.2 and 12.4 of this Prospectus, and save as provided for under our Constitution as reproduced in Section 14.2 below and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in any of our Company or our subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

14.2 EXTRACTS OF OUR CONSTITUTION

The following provisions are reproduced from our Constitution and are qualified in its entirety by the provisions of our Constitution and by applicable law. The words, terms and expressions appearing in the following provisions will bear the same meanings used in our Constitution unless they are otherwise defined herein or the context otherwise requires.

Words	Meaning
"Act"	means the Companies Act, 2016 and every statutory modification or re-enactment thereof for the time being in force.
"Applicable Laws"	all laws, by-laws, regulations, rules, orders and/or official directions for the time being in force affecting the Company and its subsidiaries, including but not limited to the Act, the applicable securities laws, the Listing Requirements and every other law for the time being in force concerning companies and affecting the Company and any other directives or requirements imposed on the Company by the Securities Commission and/or other relevant regulatory bodies and/or authorities.
"Central Depositories Act"	means the Securities Industry (Central Depositories) Act 1991 and every statutory modification or re-enactment thereof for the time being in force.

Words	Meaning
"Company"	means MR D.I.Y. GROUP (M) BERHAD (Company No. 201001034084 (918007-M)) or by whatever name from time to time called.
"Depository"	means Bursa Malaysia Depository Sdn. Bhd. (Company No. 198701006854 (165570-W)) and its successors-in-title.
"Directors"	means the directors of the Company or their alternates present at a duly convened meeting of directors at which a quorum is present (as the context requires).
"Exchange"	means Bursa Malaysia Securities Berhad (Company No. 200301033577 (635998-W)) and its successors-in-title.
"Member"	means, unless otherwise expressed to the contrary, a person who is registered as the holder of shares in the capital of the Company including a Depositor who shall be treated as if he were a Member pursuant to Section 35 of the Central Depositories Act but excludes the Depository in its capacity as a bare trustee member.
"Record of Depositors"	means a record provided by the Depository to the Company under Chapter 24.0 of the Rules of the Depository.
"Register"	means the Register of Members to be kept pursuant to the Act, and unless otherwise expressed to the contrary, includes the Record of Depositors.
"Related Corporation"	means a corporation who: – (a) is the holding company of another corporation; (b) is a subsidiary of another corporation; or (c) is a subsidiary of the holding company of another corporation.
"Rules of Depository" or "Rules"	means the Rules of the Depository as defined under the Central Depositories Act and any appendices thereto including any amendment that may be made from time to time.
"Securities"	has the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007.
"Share Issuance Scheme"	means a scheme involving the allotment and issuance or transfer of shares and/or grant of options, whether physically settled or otherwise, to subscribe for or purchase shares of the Company to eligible Directors, officers and/or employees.
"Subsidiary"	means a subsidiary as defined by Section 4 of the Act.

14.2.1 Transfer of Shares

Clause 20 – Renunciation

"The Directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder recognise a renunciation of such share by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation on such terms and conditions as the Directors may determine."

Clause 40 – Transfer of Securities to and from the Depository

"The transfer of Securities by the Company to the Depository and from the Depository to the Company shall be in accordance with the Applicable Laws."

Clause 41 – Transfer of Securities by way of book entry

"The transfer of any listed securities or class of listed securities of the Company shall be made by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to subsection 148(2) of the Act and any exemption that may be made from compliance with subsection 148(1) of the Act, the Company shall not be required to register or effect any transfer of the listed securities."

Clause 47 – Closure of register

"Subject to the Rules, the Register may be closed for such periods as the Directors may from time to time determine provided that such register shall not be closed for more than thirty (30) days in any year. The Company shall before it closes such register:

(1) give notice of such intended book closure (in the case of the Register) in accordance with Section 55 of the Act; and

(2) give notice of such intended closure to the Exchange for such period as prescribed by the Exchange or any relevant governing laws and/or guidelines before the intended date of such closure including in such notice, such date, the reason for such closure and the address of the share registry at which documents will be accepted for registration.

The Company shall give notice in accordance with the Rules to enable the Depository to prepare the appropriate Record of Depositors."

Clause 49 – No liability of Directors etc

"Subject to the Act, Central Depositories Act and the Rules, every entry in the Register, purporting to have been made on the basis of an instrument of transfer or other document in good faith by the Company, shall be conclusively deemed to have been duly and properly made including (without limitation) where:

(1) the instrument of transfer or other document is obtained or created fraudulently or is otherwise void, voidable or otherwise unenforceable; or

(2) the Company or any of its Directors or officers may have notice that such instrument of transfer was signed, executed and/or delivered by the transferor or other authorised person in blank as to the name of the transferee or the particulars of the shares transferred or otherwise made defectively,

and any person who becomes the registered holder of any shares by reason of any such entry shall be entitled to be recognised as the registered holder of such shares, and the Company, its Directors and/or other officers shall not be liable to any person by reason of any such entry being made."

Clause 50 – No liability of the Company and Directors

"Neither the Company nor any of its Directors shall be liable for any transfer of shares effected by the Depository."

14.2.2 Remuneration of Directors

Clause 112 – Directors' remuneration

"Subject to this Constitution, the fees and benefits of the Directors shall from time to time be determined annually by the Company in general meeting provided always:

(1) Directors' fees and benefits payable to Directors not holding any executive office in the Company shall be a fixed sum and shall not be payable by a commission on or percentage of profits or turnover;

(2) salaries payable to Directors holding any executive office pursuant to a contract of service may not include a commission on or a percentage of turnover;

(3) all remuneration payable to Directors shall be deemed to accrue from day to day;

(4) fees and benefits payable to Directors or any increase thereof shall be approved by the Members annually in general meeting, where in the case of increase of fees and benefits payable to the Directors, notice of the proposed increase has been given in the notice convening the meeting; and

(5) any fee and benefit paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration."

Clause 113 – Expenses

"The Directors may be paid all travelling, hotel and other reasonable expenses, properly and reasonably incurred by them in the execution of their duties including any such expenses incurred in connection with attending and returning from meetings of the Directors or any committee of Directors or general or other meetings of the Company or in connection with the business of the Company in the course of the performance of their duties as Directors."

14.2.3 Voting and Borrowing power of Directors

Clause 127 – General borrowing powers

"Except as provided by Clause 128, the Directors may exercise all the powers of the Company to borrow money of any sum or sums from any person, bank, firm or company and to mortgage or charge its undertaking, property and uncalled capital, and any part thereof and to issue debentures and other securities, whether as primary or collateral security for any debt, liability or obligation of the Company, its subsidiaries or any other party. The Directors may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon with power to the Directors to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or hypothecation of or charge upon any property and asset of the Company or otherwise. The Directors may exercise all the powers of the Company to guarantee and give guarantees or indemnities for payment of money, the performance of contracts or obligations or for the benefit or interest of the Company or its Subsidiaries."

<u>Clause 128 – Restrictions on borrowing</u>

"The Directors shall not borrow any money or mortgage or charge any of the Company's or its Subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party."

<u>Clause 154 – Disqualification from voting</u>

"Except as otherwise provided by this Constitution and subject to Section 222 of the Act, a Director shall not participate in any discussion or vote at a meeting of Directors or of a committee of Directors on any resolution concerning any contract, proposed contract, arrangement or other matter in which he has, directly or indirectly, a personal interest or duty which is material and which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:

(1) in a case where the contract or proposed contract relates to any loan to the company that he has guaranteed or joined in guaranteeing the repayment of the loan or any part of the loan; or

(2) in a case where the contract or proposed contract has been or will be made with or for the benefit of or on behalf of a Related Corporation - that he is a director of that corporation.

For avoidance of doubt, a Director shall be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote."

14.2.4 Changes in capital and rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights

<u>Clause 9 – Variation of class rights</u>

"If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may (subject to Section 90 of the Act and whether or not the Company is being wound up) be varied or abrogated in accordance with Section 91 of the Act."

<u>Clause 13 – Issue of Securities</u>

"Subject to the Act, the Listing Requirements and this Constitution, the Directors may offer, issue, allot (with or without conferring a right of renunciation) shares of the Company (whether forming part of the original or any increased capital), grant options over, grant any right or rights to subscribe for such shares or any right or rights to convert any Securities into such shares, or otherwise deal with or dispose of them to such persons at such times and on such terms and conditions as they may determine."

<u>Clause 14 – Restrictions on issue</u>

"Clause 13 shall be subject to the following provisions:

(1) the Company shall not offer, issue, allot, grant options over shares, grant any right or right to subscribe for shares or any right or rights to convert any Securities into shares or otherwise deal with or dispose of shares which will or may have the effect of transferring a controlling interest in the Company without the prior approval of the Members in general meeting;

(2) no Director shall participate in a Share Issuance Scheme unless the Members in general meeting have approved the specific allotment to such Director; and

(3) the rights attached to shares of a class other than ordinary shares shall be expressed in the resolution creating them."

14.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance, Inc. and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**Depositor**") by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares will be deemed to be a shareholder of our Company and will be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

14.4 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND/OR EXERCISE VOTING RIGHTS

Subject to Section 14.3 above, there is no limitation on the right to own our Shares, including any limitation on the right of a non-resident or non-Malaysian shareholder to hold or exercise voting rights, on our Shares which is imposed by Malaysian law or by our Constitution.

14.5 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single tier dividend are not taxable. Further, the Government of Malaysia does not levy withholding tax on dividends payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

As at the LPD, there are no governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and the remittance of profits by our foreign subsidiary, MD(B) to Malaysia. There is no restriction on foreign investment in Brunei or repatriation of capital or funds related to investments such as profits, dividends, royalties, loans, interests or repayments by or to MD(B). However, withholding tax may apply to certain categories of payments made by a resident to a non-resident which excludes the payment of dividends. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Bruneian companies.

14.6 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts that are not in the ordinary course of our Group's business within the period covered by the historical financial information as disclosed in this Prospectus and up to the date of this Prospectus:

14.6.1 Share subscription agreement dated 1 August 2017 in respect of the subscription of 95.0% equity interest in MDM

On 1 August 2017, our Company entered into a share subscription agreement with Tan Yu Yeh, Tan Yew Hock, Chong Swee Lee, Tan Lee Ling, Tan Yew Teik, Tan Yu Wei, Tan Yew King, Tan Lee Lee and MDM. Under the share subscription agreement, we agreed to purchase the provisional allotments which were renounced by the initial shareholders to our Company for a cash consideration of approximately RM13.1 million. Upon the purchase, our Company had also agreed to subscribe for 9.5 million ordinary shares in MDM, representing 95.0% equity interest in MDM, at an aggregate subscription price of RM9.5 million. The parties also entered into a shareholders' agreement dated 1 August 2017 to regulate their relationship between the shareholders of MDM upon the completion of the subscription.

The above subscription was completed on 2 August 2017. As part of the subscription, the other shareholders of MDM representing the remaining 5% shareholders had also waived all their present and future rights, title, interest in and to all dividends declared, distributed or paid by MDM.

14.6.2 Sale and purchase agreement dated 30 August 2018 in respect of the acquisition of property under HS (M) 22489, PT 60163, Mukim Ceras, Daerah Hulu Langat, Negeri Selangor

On 30 August 2018, MDM entered into a sale and purchase agreement with Kejuruteraan Tnh Sdn Bhd to acquire the property known as HS (M) 22489, PT 60163, Mukim Ceras, Daerah Hulu Langat, Negeri Selangor measuring approximately 12,540 square meters for a total cash consideration of approximately RM19.6 million. The property was transferred to MDM on 1 October 2018.

14.6.3 Sale and purchase agreement dated 15 November 2018 in respect of the acquisition of property under HS (M) 22488, PT 60162, Mukim Ceras, Daerah Hulu Langat, Negeri Selangor

On 15 November 2018, MDM entered into a sale and purchase agreement with Kejuruteraan Tnh Sdn Bhd to acquire the property known as HS (M) 22488, PT 60162, Mukim Ceras, Daerah Hulu Langat, Negeri Selangor measuring approximately 11,785 square meters for a total cash consideration of approximately RM18.5 million. The property was transferred to MDM on 28 January 2019.

14.6.4 Share Purchase Agreement dated 10 April 2019 in respect of the acquisition of 100.0% equity interest in MD(B)

On 10 April 2019, our Company entered into a share purchase agreement with Chong Swee Lee, Gan Choon Leng, Gan Sau Liang, Khoo Kwoy Kock, Poh Chu Tan, Tan Chin Hua, Tan Gaik Hoon, Tan Lay Keow, Tan Lee Ching, Tan Lee Hon, Tan Lee Lee, Tan Lee Ling, Tan Yew Hock, Tan Yew King, Tan Yew Teik, Tan Yu Yeh, Tan Yu Wei, Toh Hooi Hak, Toh Lay Fan, Toh Lee Soo and Ong Chu Jin Adrian to acquire 1,000 ordinary shares in MD(B), representing 100.0% equity interest in MD(B) from the vendors for a total cash consideration of RM90.0 million to be satisfied in three tranches of RM30.0 million each.

The agreement provides that the purchase consideration is subject to adjustment where the actual profit after tax for FYE 31 December 2018 is more than RM4.5 million but less than RM5.5 million. Further the parties agree to re-negotiate the terms of the agreement where the actual profit after tax for the FYE 31 December 2018, as determined in accordance with the agreement is less than RM4.5 million or more than RM5.5 million.

The sale and purchase was completed on 10 May 2019 upon payment of the first tranche of the purchase consideration of RM30.0 million. As a result, MD(B) became a wholly owned subsidiary of our Company. The final purchase consideration was determined at approximately RM104.8 million. The second tranche of the purchase consideration of RM30.0 million was paid on 10 June 2019 and payment for the final tranche of approximately RM44.8 million was made on 10 July 2019.

14.6.5 Licensing Agreement dated 20 June 2019 in respect of the licensing of the intellectual property rights of MR. D.I.Y. and MR. TOY brands and Deeds of Assignment dated 12 August 2020 for the assignments of the Trademarks by Tan Yu Yeh and Iconic Edge Ltd to us

On 20 June 2019, our Company entered into the Licensing Agreement with Tan Yu Yeh and his assignee, Iconic Edge Ltd, pursuant to which Tan Yu Yeh granted our Company an exclusive, perpetual and irrevocable licence, to use all of the IPRs for our business in Malaysia and Brunei, and the right to sub-licence such use to our subsidiaries. Tan Yu Yeh has executed an assignment of the IPRs in favour of Iconic Edge Ltd, which has agreed to grant our Company an exclusive, perpetual and irrevocable licence to use all the IPRs and, as licensor, to be bound by the same terms and be subject to the same conditions as Tan Yu Yeh under the Licensing Agreement. Pursuant to correspondence dated 22 July and 23 July 2019, the effective date of the Licensing Agreement was 16 October 2019.

Pursuant to the Licensing Agreement, we do not have to pay any fees for the grant of the licence save for the nominal consideration of RM10 and payment of costs for registration and renewal of the trademarks in Malaysia and Brunei.

On 12 August 2020, Tan Yu Yeh and Iconic Edge Ltd have assigned to us the benefits, rights, title and interests in the Trademarks under the Deeds of Assignment, which each of them has executed, for nominal consideration of RM1 each.

The parties to the Licensing Agreement have acknowledged and agreed in writing on 12 August 2020 that following the execution of the Deeds of Assignment, the parties consent to the exclusion of the Trademarks from the Licensing Agreement and that all other terms and conditions of the Licensing Agreement shall remain in full force and effect.

14.6.6 Consultancy and shared functions agreement dated 18 December 2019 between MDGM and MDIH

On 18 December 2019, our Company entered into a consultancy and shared functions agreement with MDIH for the provision to the MDIH Group for services relating to: (i) merchandise and product procurement for the MDIH Group; (ii) financial reporting for the Singapore operations of MDIH; and (iii) advise from time to time for marketing (such as initial marketing initiatives for new stores and common branding theme), retailing, warehouse, logistic, procurement and corporate office matters (including miscellaneous advice such as information technology, finance and business development) for the MDIH Group. The provision of services by our Company is subject to the availability of our personnel and resources and is at the sole discretion of our Company.

The consideration for the provision for all the services will be calculated based on overhead costs calculated in accordance with the agreement with a 10.0% mark-up, plus expenses. The agreement was effective starting 1 October 2019 and may be terminated upon either party giving at least two months' prior notice.

14.6.7 Sale and purchase agreement dated 5 August 2020 in respect of the acquisition of property under Geran Mukim 391, Lot 1836, Mukim Ceras, Daerah Hulu Langat, Negeri Selangor

On 5 August 2020, MDM entered into a sale and purchase agreement with SB Global Resources Sdn Bhd to acquire the property known as Geran Mukim 391, Lot 1836, Mukim Ceras, Daerah Hulu Langat, Negeri Selangor measuring approximately 7,461.0 square meters for a total cash consideration of RM17.8 million. The sale and purchase of the property is pending completion.

14.6.8 Sale and purchase agreement dated 14 September 2020 in respect of the acquisition of property under HS (D) 172069, PT 59504, Pekan Cheras, Daerah Ulu Langat, Negeri Selangor

On 14 September 2020, MDM entered into a sale and purchase agreement with Chin Loong Sang to acquire the property known as HS (D) 172069, PT 59504, Pekan Cheras, Daerah Ulu Langat, Negeri Selangor, measuring approximately 7,928.6 square meters for a total cash consideration of approximately RM12.6 million. The sale and purchase of the property is pending completion.

14.6.9 Retail Underwriting Agreement dated 23 September 2020

Retail Underwriting Agreement dated 23 September 2020 entered into between our Company, the Joint Managing Underwriters and the Joint Underwriters to severally and not jointly underwrite 161,532,000 Issue Shares under the Retail Offering at an underwriting commission calculated at the rate of up to 1.75% (exclusive of applicable tax) of the Retail Price, multiplied by the number of Issue Shares underwritten.

14.6.10 Master Cornerstone Placement Agreement dated 23 September 2020

Master Cornerstone Placement Agreement dated 23 September 2020 entered into between our Company, the Selling Shareholders, the Joint Global Coordinators, the Joint Bookrunners and the Cornerstone Investors, under which the Cornerstone Investors agree to acquire an aggregate of 234,680,000 IPO Shares, representing approximately 3.7% of the enlarged issued share capital of our Company, pursuant to the Institutional Offering at the Institutional Price on the terms and subject to the conditions as set out in the Master Cornerstone Placement Agreement and the relevant individual cornerstone placement agreements.

14.6.11 Lock-up letter dated 23 September 2020 in relation to our IPO and Listing

Lock-up letter dated 23 September 2020 issued by our Company to the Joint Bookrunners in relation to the lock-up arrangement for our IPO and Listing, details of which are set out in Section 4.8.3 of this Prospectus.

14.7 MATERIAL LITIGATION

As at the LPD, we are not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability.

14.8 CONSENTS

The written consents of the Joint Principal Advisers, Joint Global Coordinators, Joint Bookrunners, Joint Managing Underwriters, Joint Underwriters, Legal Advisers, Share Registrar and Issuing House as listed in the Corporate Directory of this Prospectus for the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors and Reporting Accountants for the inclusion of its name, Accountants' Report and Reporting Accountants' Letter on the Pro Forma Consolidated Statements of Financial Position, and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

The written consent of Frost & Sullivan for the inclusion of its name, IMR Report and all references thereto in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

14.9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of six months from the date of this Prospectus:

(i) our Constitution;

(ii) our material contracts as referred to in Section 14.6 of this Prospectus;

(iii) our audited consolidated financial statements for FYE 31 December 2018, FYE 31 December 2019 and FPE 30 June 2020;

(iv) audited financial statements of each of our subsidiaries for FYE 31 December 2018, FYE 31 December 2019 and FPE 30 June 2020;

(v) Reporting Accountants' Letter on the Pro Forma Consolidated Statements of Financial Position as included in Section 12.5 of this Prospectus;

(vi) Accountants' Report as included in Section 13 of this Prospectus;

(vii) IMR Report as included in Section 8 of this Prospectus;

(viii) letters of consent referred to in Section 14.8 of this Prospectus; and

(ix) By-Laws as included in Annexure A of this Prospectus.

14.10 RESPONSIBILITY STATEMENTS

Our Directors, the Promoters and the Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

CIMB and Maybank IB, being the Joint Principal Advisers, Joint Global Coordinators and Joint Bookrunners for the Institutional Offering and Joint Managing Underwriters and Joint Underwriters for the Retail Offering in relation to our IPO, acknowledge that, based on all available information, and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

15. PROCEDURES FOR APPLICATION

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used in this Section shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10:00 A.M., 6 OCTOBER 2020.

CLOSING OF THE APPLICATION PERIOD: 5:00 P.M., 14 OCTOBER 2020.

In the event there is any change to the dates and times stated above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATIONS

15.2.1 Application of our Issue Shares under the Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Type of Application and category of investors	Application method
Applications by the Eligible Persons	Pink Application Form only
Applications by the Malaysian Public	
(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Non-individuals	White Application Form only

15.2.2 Application of our IPO Shares under the Institutional Offering

Malaysian institutional and selected investors and foreign institutional and selected investors being allocated our IPO Shares under the Institutional Offering (other than Bumiputera investors approved by the MITI) will be contacted directly by the respective Joint Global Coordinators and Joint Bookrunners and will follow the instructions as communicated by the respective Joint Global Coordinators and Joint Bookrunners.

Bumiputera investors approved by the MITI who have been allocated our IPO Shares will be contacted directly by the MITI and should follow the instructions as communicated through the MITI.

15.3 ELIGIBILITY

15.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in the list of ADAs accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

15.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(i) you must be one of the following:

  (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or

  (b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

  (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia;

(ii) you must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

(iii) you must submit the Applications by using only one of the following methods:

  (a) White Application Form; or

  (b) Electronic Share Application; or

  (c) Internet Share Application.

15.3.3 Application by the Eligible Persons

The Eligible Persons (including any entities, wherever established) will be provided with Pink Application Forms and letters from us detailing their respective allocation. The applicants must follow the notes and instructions in the said document and where relevant, in our Prospectus.

15.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM1.60 for each IPO Share.

Payment must be made out in favour of **"TIIH SHARE ISSUE ACCOUNT NO. 696"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(i) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
(Company No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

(ii) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at their Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

so as to arrive not later than 5.00 p.m. on 14 October 2020 or such other time and date as our Directors and the Joint Underwriters may, in their absolute discretion, mutually decide as the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

15.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, HSBC Bank Malaysia Berhad, Malayan Banking Berhad, Public Bank Berhad, RHB Bank Berhad and Standard Chartered Bank Malaysia Berhad (at selected branches only). A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

15.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

15.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board, reserves the right to:

(i) reject the Applications which:

- (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
- (b) are illegible, incomplete or inaccurate; or
- (c) are accompanied by an improperly drawn up, or improper form of, remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest) in accordance with Section 15.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15.8 OVER/UNDER-SUBCRIPTION

In the event of over-subscription for the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House's website at https://tiih.online, within **one Market Day** after the balloting date.

As approved by Bursa Securities via its letter dated 28 June 2019, we need to have a minimum of 15.0% of our Company's issued Shares to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation as set out in Section 4.2.4 of our Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Joint Underwriters based on the terms of the Retail Underwriting Agreement.

15.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

15.9.1 For applications by way of Application Forms

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within ten Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the National Registration Identity Card or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).

(iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within ten Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

15.9.2 For applications by way of Electronic Share Applications and Internet Share Applications

(i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Application within two Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within two Market Days after the receipt of confirmation from the Issuing House.

(ii) You may check your account on the fifth Market Day from the balloting date.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) not later than ten Market Days from the date of the final ballot. For Applications that are held in reserve and are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within two Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within two Market Days after the receipt of confirmation from the Issuing House.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your Application:

(i) Our IPO Shares allotted to you will be credited into your CDS account.

(ii) A notice of allotment will be despatched to you at the last address maintained with Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

15.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the queries
Application Form	Issuing House Enquiry Services Telephone at +603 2783 9299
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institutions or Authorised Financial Institutions

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House's website at https://tiih.online, within **one Market Day** after the balloting date.

You may also check the status of your Application at the above website, **five Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

MR D.I.Y. GROUP (M) BERHAD ("MDGM")
EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

1. NAME OF SCHEME

This ESOS will be called the "MDGM Employees' Share Option Scheme".

2. RATIONALE FOR THE SCHEME

The implementation of the ESOS primarily serves to align the interests of the Eligible Persons to the performance of MDGM Group. As such, the ESOS is established to achieve the objectives as set out below:

(i) to provide an incentive to the Eligible Persons to participate more actively in the operations of MDGM Group and encourage them to contribute positively to the future growth of MDGM Group;

(ii) to motivate, reward and retain the Eligible Persons who, upon exercising their Options, would have the opportunity to participate in the equity of the Company and thereby relate with their contribution directly to the performance of MDGM Group whilst at the same time, giving the Eligible Persons a greater sense of ownership; and

(iii) to make the employees' remuneration scheme of MDGM Group more competitive to attract more skilled and experienced individuals to join MDGM Group and contribute to its continued growth and profitability.

3. DEFINITIONS AND INTERPRETATIONS

3.1 In these By-Laws, except where the context otherwise requires, the following words and expressions shall have the following meanings:

Act	:	the Companies Act 2016, as amended from time to time including any re-enactment thereof;
Adviser	:	any person who is eligible to act as a principal adviser as defined in the Securities Commission Malaysia's Principal Adviser Guidelines;
Authorised Nominee	:	a person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of Bursa Depository;
Available Balance	:	the unissued Shares of the Company which is available for offer of Options subject to the maximum limit as set out in By-Law 4.2 hereof and after deducting all Shares under Options which have been granted;
Board	:	the Board of Directors of MDGM;
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Company No. 198701006854 (165570-W));
Bursa Securities	:	Bursa Malaysia Securities Berhad (Company No. 200301033577 (635998-W));

By-Laws	:	the rules, terms and conditions of the ESOS as set out herein, and shall include any amendments, variations or supplements made thereto from time to time;
CDS Account	:	the account established by Bursa Depository for a Depositor for the recording of deposits and withdrawal of securities and dealings in such securities by the Depositor;
Central Depositories Act	:	the Securities Industry (Central Depositories) Act 1991, as amended from time to time and any re-enactment thereof;
Court	:	the High Court of Malaya;
Date of Expiry	:	the last day of the duration of the ESOS or any extended period pursuant to By-Law 5.3 hereof;
Date of Offer	:	the date on which an Offer is made by the Nomination and Remuneration Committee to an Eligible Person to participate in the ESOS;
Depositor	:	a holder of a CDS Account;
Director(s)	:	a natural person who holds a directorship in MDGM, and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007;
Effective Date	:	the date the last of the approvals and/or conditions referred to in By-Law 5.1 hereof have been obtained and/or complied with;
Eligible Person(s)	:	a Director and/or Employee who fulfils the conditions as set out in By-Law 7 hereof, for eligibility to participate in the ESOS;
Employee(s)	:	a natural person: (i) who is employed by and is on the payroll of any company in the MDGM Group; or (ii) who has been seconded by MDGM Group to any corporation or entity outside of the MDGM Group;
Entitlement Date	:	the date as at the close of business on which the names of the shareholders of MDGM must appear on MDGM's record of depositors in order to be entitled to participate in any dividends, rights, allotments or other forms of distribution;
ESOS or Scheme	:	the employees' share option scheme for the grant of Options to the Eligible Persons to subscribe for new MDGM Shares upon the terms as set out herein and such scheme shall be known as the MDGM Employees' Share Option Scheme;
Exercise Period	:	the specific period or periods within an Option Period during which Options may be exercised by Grantees as determined by the Nomination and Remuneration Committee subject always to By-Law 5 hereof;

Exercise Price	:	the price at which the Grantee shall be entitled to subscribe for every new MDGM Share by exercising his Option as determined subject to By-Law 10 hereof;
Grantee(s)	:	any Eligible Person who has accepted the Offer by the Company in accordance with the provisions of By-Law 9 hereof;
Listing Requirements	:	the Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time;
Market Day(s)	:	any day from Mondays to Fridays (both days inclusive) which is not a public holiday, and on which Bursa Securities is open for trading of securities;
Maximum Allowable Allocation	:	the maximum number of new Shares that can be offered and allotted to an Eligible Person to be determined by the Nomination and Remuneration Committee in accordance with the provisions of By-Law 8 hereof;
Maximum Limit	:	the maximum number of new MDGM Shares which may be issued and allotted pursuant to the ESOS, which shall not exceed in aggregate five per centum (5%) of the total number issued Shares of the Company (excluding treasury shares, if any) at any one time during the duration of the ESOS;
MDGM or Company	:	Mr D.I.Y. Group (M) Berhad (Company No. 201001034084 (918007-M));
MDGM Group or Group	:	MDGM and the Subsidiaries;
MDGM Share(s) or Share(s)	:	ordinary share(s) in MDGM;
Nomination and Remuneration Committee	:	the committee appointed from time to time by the Board pursuant to By-Law 18 hereof to administer the ESOS;
Offer	:	an offer made in writing by the Nomination and Remuneration Committee to an Eligible Person in the manner indicated in By-Law 6 hereof;
Offer Period	:	the period during which an offer shall be valid as specified in By-Law 9.1 hereof;
Option(s)	:	the right of a Grantee to subscribe for new MDGM Share(s) at the Exercise Price pursuant to the contract constituted by the Eligible Person's acceptance of an Offer in the manner indicated in By-Law 9 hereof;

Option Period	:	a period commencing from the date an Offer is accepted in accordance with By-Law 9 hereof and expiring on the last day of the Option Period as specified in the letter of Offer or such other date which the Nomination and Remuneration Committee may in its discretion decide, subject always to any further extension of period or early termination in accordance with the provisions of By-Law 5 hereof, provided that no Option Period shall extend beyond the period referred to in By-Law 5 hereof;
RM and sen	:	Ringgit Malaysia and sen, respectively;
Rules of Bursa Depository	:	the rules of Bursa Depository, as issued pursuant to the Central Depositories Act;
Senior Management	:	an Employee of MDGM Group who falls within such grading as determined by the Nomination and Remuneration Committee at its sole and absolute discretion from time to time;
Subsidiaries	:	subsidiaries of MDGM falling within the meaning of Section 4 of the Act (which for the avoidance of doubt shall exclude the Company's associate company(ies), which are not dormant and shall include such subsidiaries which are existing as at the Effective Date and those which are incorporated or acquired at any time during the duration of the ESOS but exclude such subsidiaries which shall be divested in the manner provided for in By-Law 26 hereof;
Trust Deed	:	the trust deed(s) constituting the Trust to be executed between the Trustee and the Company;
Trust	:	the trust to be established to facilitate the implementation and administration of the ESOS;
Trustee	:	the trustee(s) who may be appointed by MDGM for the administration of the Trust from time to time;
Vesting Conditions	:	the conditions which are required to be fulfilled by an Eligible Person before the Option(s) is/are capable of being vested onto the Eligible Person, to be communicated in an Offer pursuant to By-Law 6.3 (vii) hereof; and

In these By-Laws:

(i) headings are for ease of reference only and do not affect the meaning of these By-Laws;

(ii) any reference to a statutory provision or applicable law shall include any subordinate legislation made from time to time under the provision or law and any Listing Requirements, policies and/or guidelines of Bursa Securities and/or any other relevant regulatory authority (whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or any other relevant regulatory authority);

(iii) any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any Options offered and accepted prior to the expiry of the ESOS and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly been replaced;

(iv) words denoting the singular shall include the plural and references to any gender shall include all genders whether male, female or neuter;

(v) any liberty or power which may be exercised or any determination which may be made hereunder by the Nomination and Remuneration Committee or the Board may be exercised at the Nomination and Remuneration Committee's or the Board's discretion; and

(vi) if an event occurs on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day **PROVIDED ALWAYS** if such date shall fall beyond the duration of the ESOS, then the stipulated day shall be taken to be the preceding Market Day.

4. MAXIMUM NUMBER OF NEW MDGM SHARES AVAILABLE UNDER THE SCHEME

4.1 Each Option shall be exercisable into one (1) new MDGM Share, in accordance with the provisions of these By-Laws.

4.2 The total number of new MDGM Shares which may be made available under the ESOS shall not exceed in aggregate five per centum (5%) of the total number of issued Shares of the Company (excluding treasury shares, if any) at any one time during the duration of the ESOS as provided in By-Law 5.3 hereof.

4.3 Notwithstanding the provision of By-Law 4.2 hereof or any other provisions contained herein, in the event the maximum number of new MDGM Shares comprised in the Options granted under the ESOS exceeds the aggregate of five per centum (5%) of the total number of issued Shares of the Company (excluding treasury shares, if any) as a result of MDGM purchasing its own Shares pursuant to Section 127 of the Act or MDGM undertaking any other corporate proposal and thereby diminishing its number of issued shares, no further Options shall be offered until the total number of new MDGM Shares to be issued under the ESOS falls below five per centum (5%) of the total number of issued Shares of the Company (excluding treasury shares, if any). Any Options granted prior to the adjustment of the number of issued shares of MDGM shall remain valid and exercisable in accordance with the provisions of these By-Laws.

5. DURATION, EXTENSION AND TERMINATION OF THE SCHEME

5.1 The ESOS shall come into force on the Effective Date, and shall continue to be in force for a period of five (5) years **PROVIDED THAT** the following approvals and/or conditions have been obtained and/or fulfilled:

(i) submission to Bursa Securities of the final copy of these By-Laws together with a letter of compliance pursuant to Paragraph 6.42 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;

(ii) approval or approval-in-principle, as the case may be, from Bursa Securities for the listing and quotation of the new MDGM Shares to be issued under the ESOS;

(iii) shareholders' approval for the ESOS at a general meeting;

(iv) approval of any other relevant authorities for the ESOS, if applicable; and

(v) fulfilment of all conditions attached to the above approvals, if any.

5.2 The Company shall, through its Adviser, submit no later than five (5) Market Days after the Effective Date, a confirmation letter to Bursa Securities of the full compliance of By-Law 5.1 hereof stating the Effective Date of the ESOS, together with a certified true copy of the relevant resolutions passed by the shareholders of the Company in the general meeting approving the ESOS.

5.3 The ESOS shall be renewable for another five (5) years immediately from the expiry of the first five (5) years, **PROVIDED ALWAYS THAT** the ESOS shall not in aggregate exceed ten (10) years from the Effective Date or such longer period as may be allowed by the relevant authorities. Such renewed ESOS shall be implemented in accordance with the terms of these By-Laws set out herein, save for any amendments and/or changes to the relevant statutes and/or regulations currently in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the ESOS provided that the Company shall serve appropriate notices to each Grantee and make any announcements to Bursa Securities (if required) within thirty (30) days prior to the expiry of the original ESOS.

5.4 Offers can only be made during the duration of the ESOS before the Date of Expiry, which date shall be at the end of the five (5) years from the Effective Date, or if the ESOS shall be extended, at the end of such extended term.

5.5 Notwithstanding anything to the contrary, all unexercised Options shall lapse after 5.00 p.m. on the Date of Expiry.

5.6 Notwithstanding the provision of By-Law 5.3 hereof and subject to compliance with the requirements of Bursa Securities and any other relevant regulatory authorities, the ESOS may be terminated by the Company at its sole and absolute discretion without obtaining the approvals or consents from the Grantees and/or the shareholders, by way of a board resolution upon the recommendation of the Nomination and Remuneration Committee at any time during the continuance of the ESOS whereupon such termination, (i) no further Offers shall be made by the Nomination and Remuneration Committee; (ii) all outstanding Options unexercised shall be automatically terminated; and (iii) all Offers made but not yet accepted by the Eligible Persons shall automatically lapse.

5.7 The Company shall immediately upon the termination of the ESOS before the Date of Expiry announce to Bursa Securities:

(i) the effective date of termination;

(ii) the number of options exercised or shares vested; and

(iii) the reasons for termination.

5.8 Subject to the relevant approvals being obtained, the Company may implement a new employees' share option scheme after the expiration or termination of the ESOS pursuant to By-Law 5.6 hereof.

6. OFFER

6.1 The Nomination and Remuneration Committee may, at any time during the duration of the ESOS as defined in By-Law 5 hereof, make Offers in writing to any Eligible Person (based on the criteria of allocation as set out in By-Law 8.1), selected at the sole and absolute discretion of the Nomination and Remuneration Committee.

6.2 The actual number of new MDGM Shares which may be offered to an Eligible Person shall be at the sole and absolute discretion of the Nomination and Remuneration Committee and, subject to the Maximum Allowable Allocation as set out in By-Law 8 hereof and any adjustments that may be made under By-Law 15 hereof, shall not be less than 100 MDGM Shares and shall always be in multiples of 100 MDGM Shares.

6.3 The Nomination and Remuneration Committee shall state the following particulars in the letter of Offer:

(i) the number of Options that are being offered to the Eligible Person;

(ii) the number of MDGM Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the Options being offered;

(iii) the Option Period;

(iv) the Exercise Period;

(v) the Exercise Price;

(vi) the Offer Period;

(vii) the conditions which are required to be fulfilled by an Eligible Person prior to such Option becoming vested onto the Eligible Person ("**Vesting Conditions**") including but not limited to service and/or performance criteria and number of Options exercisable for each year of continued service as set out in By-Law 11.1; and

(vii) any other information deemed necessary by the Nomination and Remuneration Committee.

6.4 No Offer shall be made to any Directors or major shareholder of MDGM who is an employee of our Group or persons connected with them who is an employee of our Group unless such Offer and the related allotment of Shares have previously been approved by the shareholders of the Company in a general meeting.

For the purpose of these By-Laws, "persons connected" with the Director in an executive capacity in MDGM or major shareholder of MDGM shall have the same meaning given in relation to persons connected with a director or major shareholder as defined in Paragraph 1.01 of the Listing Requirements.

6.5 Without prejudice to By-Law 18 hereof, in the event of an error or omission on the part of the Company or the Nomination and Remuneration Committee in stating any of the particulars referred to in By-Law 6.3 hereof, the Company or the Nomination and Remuneration Committee shall, within one (1) month after discovery of the error or omission, do all such things and acts to rectify such error or omission and if necessary, issue a supplemental letter of Offer, stating the correct particulars referred to in By-Law 6.3 hereof.

6.6 Subject to By-Laws 4 and 8.3 hereof, nothing herein shall prevent the Nomination and Remuneration Committee from making more than one (1) Offer to any Eligible Person **PROVIDED ALWAYS THAT** the total aggregate Options offered to each Eligible Person (including Options already offered under previous Offers, if any) shall not exceed the Maximum Allowable Allocation of such Eligible Person at the time the subsequent Offer (if any) is made.

6.7 The Nomination and Remuneration Committee has the sole and absolute discretion not to make further additional Offers regardless of the amount of Available Balance.

6.8 The Offer shall automatically lapse and thereafter be rendered null and void in the event of the death of the Eligible Person or the Eligible Person ceasing to be employed by MDGM Group for any reason whatsoever prior to the acceptance of the Offer by the Eligible Person in the manner set out in By-Law 9 hereof.

6.9 An Offer may be made upon such terms and conditions as the Nomination and Remuneration Committee may decide from time to time. Each Offer shall be made in writing and is personal to the Eligible Person and is non-assignable and non-transferable.

6.10 After each adjustment following an alteration of the Company's share capital as stipulated in By-Laws 15.1 and 15.2 hereof and the Company informing the Grantee of such adjustment pursuant to By-Law 15.6 hereof, upon the return by a Grantee of the original letter of Offer to the Company, that letter of Offer shall be amended or a new letter of Offer shall be issued within one (1) month from the date of return of the original letter, to reflect the adjustment made to the number of Options granted to the Grantee and/or the Exercise Price.

6.11 The Company shall keep and maintain at its expense, a register of Grantees and shall enter in that register, the names and addresses of the Grantees, the Maximum Allowable Allocation, the number of Options offered, the number of Options exercised, the Date of Offer and the Exercise Price.

7. ELIGIBILITY

7.1 An Employee or a Director who as at the Date of Offer, fulfils the following conditions shall be eligible to participate in the ESOS:

(i) has attained eighteen (18) years of age;

(ii) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(iii) must have been confirmed in service and have served at least twelve (12) months in the employment of MDGM Group;

(iv) where the Employee or Director is under an employment contract, the contract is for a duration of at least one (1) year and will not be expiring within three (3) months from the Date of Offer; and

(v) has fulfilled any other criteria as may be imposed by the Nomination and Remuneration Committee from time to time,

PROVIDED ALWAYS THAT the selection of any Eligible Person for participation in the ESOS shall be at the sole and absolute discretion of the Nomination and Remuneration Committee and the decision of the Nomination and Remuneration Committee shall be final and binding. Notwithstanding the above, the Nomination and Remuneration Committee may, at its sole and absolute discretion, waive any of the eligibility conditions set out above.

The eligibility does not confer on an Eligible Person, a claim or right to participate or a right to claim or any rights whatsoever in the ESOS unless the Nomination and Remuneration Committee has made an Offer to the Eligible Person, the Eligible Person has accepted the Offer, and the Eligible Person has fulfilled the Vesting Conditions, in accordance with the terms of the Offer and these By-Laws.

7.2 Subject to the provisions of By-Law 25 hereof, no Eligible Person shall participate at any time in more than one (1) employees' share option scheme implemented by any company within the MDGM Group for the duration of the ESOS.

7.3 Subject to By-Law 4.2 hereof, in the event that the Nomination and Remuneration Committee has determined that certain Eligible Persons are entitled to be offered additional Options and the Available Balance is insufficient to grant their full additional entitlements, the Available Balance may be distributed on such basis as the Nomination and Remuneration Committee may determine.

8. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOCATION

8.1 Subject to any adjustments as may be made under these By-Laws, the aggregate number of new MDGM Shares that may be offered and allotted under the ESOS to any Eligible Person shall be determined by the Nomination and Remuneration Committee at its sole and absolute discretion, after taking into consideration, amongst others, the Eligible Person's position, ranking, performance, contribution, seniority, length of service, fulfilment of the eligibility criteria as referred to in By-Law 7 hereof or such other matters which the Nomination and Remuneration Committee may in its sole and absolute discretion deem fit, subject to, amongst others, the following:

(i) the aggregate number of new MDGM Shares to be issued pursuant to the exercise of the Options granted under the ESOS shall not exceed the Maximum Limit and the Nomination and Remuneration Committee shall not be obliged in any way to offer an Eligible Person the Options for all the specified maximum number of Shares the Eligible Person is entitled to under the ESOS;

(ii) any Offer, allocation of Options under the ESOS and the related allotment of Shares to any Directors, major shareholders who are employees of our Group or the chief executive officer of the Company and any person connected with them who is an employee of our Group, shall require prior approval of the shareholders of the Company in a general meeting. The Directors, major shareholders who are employees of our Group or chief executive officer of the Company and persons connected with them who are employees of our Group shall not vote on the resolution approving the said Offer, allocation and allotment;

(iii) the Directors and senior management shall not be allowed to participate in the deliberation or discussion of their respective allocation of Options and/or allocations of Options to persons connected with them under the ESOS;

(iv) not more than ten per centum (10%) of the Shares available under the ESOS shall be allocated to any Eligible Person, who, either singly or collectively through persons connected with the Eligible Person, holds twenty per centum (20%) or more of the total number of issued Shares (excluding treasury shares, if any) of the Company; and

(v) any performance target to be achieved before the Options can be granted and/or exercised by an Eligible Person shall be determined by the Nomination and Remuneration Committee.

For the avoidance of doubt, the Nomination and Remuneration Committee shall have sole and absolute discretion in determining whether the granting of the Options to the Eligible Persons will be based on staggered granting over the duration of the ESOS or in one (1) single grant. The Nomination and Remuneration Committee shall also have sole and absolute discretion in determining whether the Options granted are subject to any vesting period and if so the Vesting Conditions and whether such Vesting Conditions are subject to any performance targets.

For the purpose of these By-Laws, "persons connected" with the Eligible Person shall have the same meaning given in relation to persons connected with a director or major shareholder as defined in Paragraph 1.01 of the Listing Requirements.

8.2 The allocation of Options pursuant to the ESOS shall be verified by the Audit Committee of the Company, as being in compliance with the criteria set out in these By-Laws (where relevant) at the end of each financial year of the Company.

8.3 A Grantee who is promoted within the duration of the ESOS may be eligible for consideration for new additional Shares under the ESOS at the sole and absolute discretion of the Nomination and Remuneration Committee up to the Maximum Allowable Allocation to be determined by the Nomination and Remuneration Committee for the category to which he/she has been promoted. A Grantee who is demoted to a lower employment category for whatever reason shall only be entitled to the allocation of that lower category unless an Offer has been made and accepted by him/her before such demotion.

8.4 An Employee or a Director who during the duration of the ESOS becomes an Eligible Person may be eligible to participate in the ESOS, the number of new Shares of which is to be decided by the Nomination and Remuneration Committee at its sole and absolute discretion subject to any Maximum Allowable Allocation for the category to be determined by the Nomination and Remuneration Committee. Any Eligible Person holding more than one (1) position in the Group and thereby falling within more than one (1) category of Employees in the Group shall only be entitled to the Maximum Allowable Allocation of the higher category.

9. ACCEPTANCE OF THE OFFER

9.1 An Offer shall be valid for a period of thirty (30) calendar days from the Date of Offer or such longer period as the Nomination and Remuneration Committee at its sole and absolute discretion, determines on a case to case basis. Acceptance of the Offer by an Eligible Person shall be made by way of a written notice from the Eligible Person to the Nomination and Remuneration Committee in the form prescribed by the Nomination and Remuneration Committee and accompanied by the payment of Ringgit Malaysia One (RM1.00) only as non-refundable consideration for the acceptance of each Offer (regardless of the number of Shares comprised therein).

9.2 In the event that the Eligible Person fails to accept the Offer or pay the acceptance consideration as set out in By-Law 9.1 hereof within the Offer Period and in the manner aforesaid, the Offer shall be deemed to have lapsed and shall be null and void and of no effect. The Options comprised in such Offer may, at the discretion of the Nomination and Remuneration Committee, be re-offered to other Eligible Persons.

9.3 Within thirty (30) calendar days after the due acceptance of the Offer in accordance with the provisions of this By-Law or such longer period as may be determined by the Nomination and Remuneration Committee, the Nomination and Remuneration Committee shall issue to the Grantee a certificate of Option in such form as may be determined by the Nomination and Remuneration Committee.

10. EXERCISE PRICE

Subject to any adjustments made under these By-Laws and pursuant to the Listing Requirements, the Exercise Price shall be:

(i) in respect of any Offer which is made in conjunction with the listing of the Company, the Final Retail Price; and

(ii) in respect of any Offer which is made subsequent to the listing of the Company, as determined by the Nomination and Remuneration Committee and shall be based on the five (5)-day weighted average market price of MDGM Shares immediately preceding the Date of Offer, with a discount, if any, **PROVIDED ALWAYS THAT** such discount is not more than ten per centum (10%), if deemed appropriate, or such other percentage of discount as may be permitted by any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time during the Option Period.

For the purposes of By-Law 10(i) above, "Final Retail Price" shall refer to the final price paid by investors for the Shares issued by the Company under its retail offering pursuant to its initial public offering, as determined in the manner described in the Company's prospectus for the said initial public offering.

The Exercise Price as determined in the manner set out above shall be conclusive and binding on the Grantee.

11. EXERCISE OF OPTIONS

11.1 Subject to By-Law 11.8 hereof and the terms and conditions of an Offer as mentioned in By-Law 6.9 hereof, the Options under the Offer can be exercised by the Grantee by written notice in the prescribed form, from the Grantee or its authorised agent (subject that such authorised agent must be recognised by the Company), to the Company during the Exercise Period in respect of all or any part of the MDGM Shares comprised in the Options under the Offer. Any partial exercise of an Option shall not preclude the Grantee from exercising the Option in respect of the balance of the MDGM Shares comprised in the Option.

11.2 The Option shall be vested to the Grantee and may be subject to the fulfilment of Vesting Conditions as may be determined by the Nomination and Remuneration Committee in accordance with the terms of the ESOS from time to time.

11.3 The Nomination and Remuneration Committee may with its power under Clause 18 hereof, at any time and from time to time, before an Option is granted, limit the exercise of the Option to a maximum number of new MDGM Shares and/or such percentage of the total of new MDGM Shares comprised in the Option during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the Nomination and Remuneration Committee in its sole discretion.

11.4 Except where it is decided otherwise and announced by the Nomination and Remuneration Committee, an Option is exercisable by the Grantee only on a Market Day during the Option Period and while the Grantee remains an Eligible Person.

Except where it is decided otherwise and announced by the Nomination and Remuneration Committee:

(i) the aggregate number of Shares which a Grantee can subscribe under his/her Options in a particular year of the Scheme (the first year to be calculated from the Effective Date and expiring 12 months after the Effective Date, and subsequent years shall be successive 12-month periods thereafter), shall at times be subject to a maximum of **twenty-five per centum (25%)** of the total number of Shares comprising the Options held by such Grantee, as follows:

Year of Scheme	Maximum percentage
Year 1	-
Year 2	25%
Year 3	25%
Year 4	25%
Year 5	25%

(ii) a Grantee may, in any one year, exercise his Option according to the maximum percentage stipulated in the table above. Subject to By-Law 11.8 hereof, if any Grantee does not wholly exercise his/her Options up to the maximum percentage allowed in a particular year, the remaining unexercised Options for any particular year will be accumulated to the said Grantee's entitlement in the following year.

11.5 Every such written notice referred to in By-Law 11.1 must be accompanied by a remittance (calculated in accordance with the provisions of By-Law 10) for the full amount of the subscription monies for the ESOS shares in respect of which notice is given. Within eight (8) Market Days from the receipt by the Company of the aforesaid notice, as well as remittance from the Grantee or such other period as may be permitted by Bursa Securities, the Company shall:

(a) allot and/or issue such Shares to the Grantee accordingly, subject to and in accordance with the provisions of the constitution of the Company and the Rules of Bursa Depository;

(b) despatch a notice of allotment in accordance with By-Law 41.6 hereof; and

(c) apply to Bursa Securities for the listing and quotation of such Shares in accordance with By-Law 16 hereof.

11.6 A Grantee who exercises the Option shall provide the Nomination and Remuneration Committee with his or her CDS account number or the CDS account number of his or her authorise nominee (as the case may be) in the notice referred to in By-Law 11.1. The new Shares to be issued pursuant to the exercise of an Option will be credited into the CDS account of the Grantee or his or her authorise nominee (as the case may be) and a notice of allotment stating the number of Shares credited into such CDS account will be issued and despatched to the Grantee or the Grantee's authorise nominee with a copy to the Grantee as the case may be). No physical share certificate(s) will be issued and delivered to the Grantee.

11.7 Trust

(i) The Company intends to establish a Trust to be administered by the Trustee for the purposes of implementing the ESOS. The appointed Trustee shall administer the Trust in accordance with the Trust Deed, and shall in particular, be responsible for the administration of the ESOS.

(ii) The Trustee shall open and maintain a Trust Account into which the Company and/or its Subsidiaries shall inject monies for the purposes of the ESOS, in particular, to enable the Trustee to use the same to subscribe for MDGM Shares and to pay for expenses in relation to the administration of the Trust in accordance with these By-laws.

(iii) Upon the Trustee receiving a written instruction from the Nomination and Remuneration Committee that a Grantee has elected to exercise his ESOS Option(s) pursuant to By-law 11.1, the Trustee shall utilise the monies in the Trust Account to subscribe for such number of new MDGM Shares in respect of which the written instruction is given.

(iv) The Company shall allot and issue the said MDGM Shares which will be placed into a CDS Account of the Trustee or its authorised nominee.

(v) The Trustee shall transfer the Shares via approved transfers equivalent to the Options exercised from its CDS account to the Grantee's CDS account.

(vi) The Board shall have the power from time to time to appoint or rescind the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed.

11.8 The Company and/or the Nomination and Remuneration Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.

11.9 In the event that a Grantee is subject to disciplinary proceedings (whether or not such disciplinary proceedings will give rise to a dismissal or termination of service or are found to have had no basis or justification), the Nomination and Remuneration Committee shall have the right to suspend the Grantee's Options pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the Nomination and Remuneration Committee may impose such terms and conditions as the Nomination and Remuneration Committee shall deem appropriate at its sole and absolute discretion having regard to the nature of the charges made or brought against the Grantee **PROVIDED ALWAYS THAT**:

(i) in the event that such Grantee shall subsequently be found not guilty of the charges which gave rise to such disciplinary proceedings, the Nomination and Remuneration Committee shall reinstate the rights of such Grantee to exercise his Options;

(ii) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Grantee, all unexercised and partially exercised Options of the Grantee shall immediately lapse and be null and void and of no further force and effect, without notice to the Grantee, upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the Grantee in any other forum;

(iii) in the event the Grantee is found guilty, but no dismissal or termination of service is recommended, the Nomination and Remuneration Committee shall have the right to determine at its sole and absolute discretion whether or not the Grantee may continue to exercise his Options or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and

(iv) in the event that no decision is made, and/or disciplinary proceedings are not concluded prior to the expiry of the Exercise Period, the Options of such Grantee shall immediately lapse on the expiry of the Exercise Period without notice,

and nothing herein shall impose any obligation of the Nomination and Remuneration Committee to enquire into or investigate the substantiveness and/or validity of such disciplinary proceeding(s) and the Nomination and Remuneration Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the Nomination and Remuneration Committee's exercise of or failure to exercise any of its rights under these By-Laws.

11.10 All Options to the extent unexercised on the expiry of the Exercise Period applicable thereto shall lapse.

11.11 Any failure to comply with the procedures specified by the Nomination and Remuneration Committee or to provide information as required by the Company, the Nomination and Remuneration Committee and/or the Trustee in the notice to exercise shall result in the notice to exercise being rejected at the discretion of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall inform the Grantee of the rejection of the notice of exercise within ten (10) Market Days from the date of rejection and the Grantee shall not have deemed to have exercised his/her Options.

11.12 The Company, the Board, the Nomination and Remuneration Committee and the Trustee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities whatsoever and howsoever arising in the event of any delay on the part of the Company in allotting and issuing the Shares or in procuring the relevant authorities to list and quote the Shares subscribed for by a Grantee or any delay in receipt or non-receipt by the Company of the notice to exercise the Options or for any errors in any Offers.

11.13 Every Option shall be subject to the condition that no new MDGM Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.

12. RIGHTS ATTACHING TO THE NEW MDGM SHARES

The new MDGM Shares to be issued and allotted pursuant to the exercise of the Options in accordance with By-Law 11 shall, upon issuance and allotment rank *pari passu* in all respects with the then existing MDGM Shares, and be entitled to all rights (including voting, dividend, allotment, distribution, transfer, and other rights, including those arising on a liquidation of the Company), attaching to the then existing MDGM Shares, save and except that the new MDGM Shares so issued and allotted will not be entitled to any dividends, rights, allotments or other forms of distribution which may be declared, made or paid, for which the Entitlement Date is prior to the date of allotment of such new MDGM Shares.

Fractional entitlements (if any) will be disregarded and shall be dealt with in such manner as the Board shall in its sole and absolute discretion thinks expedient in the best interest of the Company.

The new MDGM Shares will be subject to all provisions of the Constitution of the Company as may thereafter be amended from time to time.

13. NON-TRANSFERABILITY

13.1 An Option is personal to the Grantee and subject to the provisions of By-Laws 14.1, 14.2, 14.3 and 14.5 hereof, it is exercisable only by the Grantee personally during his lifetime whilst he is in the employment in any company in the MDGM Group.

13.2 An Option so granted shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under By-Law 14.5 hereof. Any such transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the Option.

14. TERMINATION OF THE OPTION

14.1 In the event a Grantee ceases to be in the employment of MDGM Group for whatever reason prior to the full exercise of the Options, such Options or the balance thereof, as the case may be, shall forthwith cease to be valid without any claim against the Company **PROVIDED ALWAYS THAT** the Nomination and Remuneration Committee may, at its sole and absolute discretion, by notice in writing, permit such Options to remain exercisable during the Exercise Period if such cessation occurs by reason of:

(i) retirement on or after attaining the normal retirement age; or

(ii) retirement before attaining the normal retirement age but with the consent of the relevant employer company within the MDGM Group; or

(iii) transfer to any company outside the MDGM Group at the direction of the Company subject to the approval and/or ratification by the Board; or

(iv) retrenchment; or

(v) ill-health, injury, physical or mental disability; or

(vi) any separation scheme implemented by the Company, provided that the affected Eligible Person shall exercise the Options within three (3) months of the date of the separation scheme; or

(vii) any Director not being re-appointed during a general meeting of the Company, that Director shall exercise the Options within three (3) months from the date he/she ceased to be a Director; or

(viii) any other circumstances which are acceptable to the Nomination and Remuneration Committee subject to the approval and/or ratification by the Board.

Upon the termination of Options pursuant to the above, the Grantee shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit under the ESOS which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or from the suspension of his/her right to exercise his/her Options or his/her Options ceasing to be valid.

14.2 Unless otherwise agreed in writing by the Nomination and Remuneration Committee at its sole and absolute discretion, upon the resignation/cessation of the Grantee from his employment or directorship with the MDGM Group (as the case may be), an Option shall lapse forthwith on the date the Grantee tenders his resignation. Any Option which lapses upon the resignation/cessation of the Grantee from his employment or directorship with the MDGM Group (as the case may be), shall become available to be offered to other Eligible Persons, at the discretion of the Nomination and Remuneration Committee.

14.3 An Option shall immediately become void and of no further force and effect upon the Grantee being adjudicated a bankrupt.

14.4 In the event of the liquidation of the Company, all unexercised Options shall lapse.

14.5 Where a Grantee dies before the expiry of the Exercise Period, the whole or any part of the Options held by the Grantee that are unexercised may be exercised by the legal representatives of the Grantee in accordance with the terms and/or conditions as set out by the Nomination and Remuneration Committee **PROVIDED ALWAYS THAT** no Option shall be exercised after the expiry of the Exercise Period.

15. ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD

15.1 Subject to By-Law 15.3 hereof, in the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of MDGM Shares or reduction of capital or any other variation of capital, the Company shall cause such adjustments to be made to:

(i) the number of Options granted to a Grantee (excluding Options already exercised);

(ii) the Exercise Price;

(iii) the number of Options and/or Exercise Price comprised in an Offer which is open for acceptance (but has yet to be accepted in accordance with the terms and conditions of the Offer and the ESOS),

for purposes of ensuring that the capital outlay to be incurred by a Grantee in subscribing for the same proportion of the issued capital of the Company as that to which he was entitled prior to the event giving rise to such adjustment (i.e not taking into account Options already exercised) shall remain unaffected.

15.2 The following provisions shall apply in relation to an adjustment which is made pursuant to By-Law 15.1 hereof:

(i) any adjustment to the Exercise Price shall be rounded up to the nearest one (1) sen; and

(ii) in determining a Grantee's entitlement to subscribe for new MDGM Shares, any fractional entitlements will be disregarded.

15.3 By-Law 15.1 hereof shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:

(i) an issue of new MDGM Shares or other securities convertible into MDGM Shares or rights to acquire or subscribe for MDGM Shares in consideration or part consideration for an acquisition of any other securities, assets or business;

(ii) a special issue of new MDGM Shares approved by the relevant governmental authorities;

(iii) a private placement/restricted issue of new MDGM Shares by the Company;

(iv) an issue of new MDGM Shares arising from the exercise of any conversion rights attached to securities convertible to MDGM Shares or upon exercise of any other rights including warrants and/or convertible loan stocks (if any) issued by the Company;

(v) an issue of new MDGM Shares upon the exercise of Options pursuant to the ESOS;

(vi) an issue of further Options to Eligible Persons under these By-Laws; and

(vii) a share buy-back arrangement by the Company, pursuant to Section 127 of the Act. In this event, the following provisions shall apply:

(a) if the number of MDGM Shares in respect of the Options granted by the Company as at the date of designation of the MDGM Shares so purchased as treasury shares or cancellation of such Shares is greater than five per centum (5%) of the total number of issued Shares of the Company after such designation or cancellation, the Nomination and Remuneration Committee shall not make any further Offers; and

(b) if the number of MDGM Shares in respect of the Options granted by the Company as at the date of designation of the MDGM Shares so purchased as treasury shares or cancellation of such Shares is less than five per centum (5%) of the issued Shares of the Company after such designation or cancellation, the Nomination and Remuneration Committee may make further Offers only until the total number of Options granted by the Company is equivalent five per centum (5%) of the issued Shares of the Company after such designation or cancellation.

15.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Division 7 of the Act, By-Law 15.1 hereof shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 15.1 hereof is applicable, but By-Law 15.1 hereof shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 15.1 hereof is not applicable as described in By-Law 15.3 hereof.

15.5 In the event the Court sanctions a compromise or arrangement between the Company and its members proposed for the purposes of, or in connection with, a scheme for reconstruction of the Company under Section 366 of the Act or its amalgamation with any other company or companies under Section 366 of the Act, any Options should remain exercisable by the Grantee at any time and from time to time in the period commencing with the date upon which the compromise or arrangement is sanctioned by the Court and ending with the date upon which it becomes effective or within the Exercise Period, whichever expires first. Upon the compromise or arrangement becoming effective, all Options, to the extent unexercised shall automatically lapse and shall become null and void.

15.6 An adjustment pursuant to By-Law 15.1 hereof shall be made according to the following terms:

(i) in the case of a rights issue, bonus issue or other capitalisation issue, on the Market Day immediately following the Entitlement Date in respect of such issue; or

(ii) in the case of a consolidation or subdivision of MDGM Shares or reduction of capital, on the Market Day immediately following the date such consolidation, subdivision or reduction shall become effective.

Upon any adjustment being made, the Nomination and Remuneration Committee shall within thirty (30) days from the adjustment date give notice in writing to the Grantee, or his legal or personal representative where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto.

All adjustments other than a bonus issue must be confirmed in writing by an approved company auditor of the Company or such other persons as allowed by Bursa Securities (who shall act as an expert and not as an arbitrator), to be in his/her opinion fair and reasonable. For the purpose of these By-Laws, an approved company auditor shall have the meaning given in Section 2(1) of the Act.

15.7 All adjustments made pursuant to By-Law 15 shall be final and binding.

15.8 The Company shall ensure that any adjustments made must be in compliance with the provisions for adjustment as provided in By-Law 15.9 hereof.

15.9 In addition to By-Law 15.1 hereof and not in derogation thereof, the Exercise Price and the number of Options so far unexercised shall from time to time be adjusted, calculated or determined by the Nomination and Remuneration Committee and certified by an approved company auditor of the Company or such other persons as allowed by Bursa Securities in accordance with the following relevant provisions in consultation with the Adviser and/or the external auditor:

(i) If and whenever a consolidation or subdivision or conversion of MDGM Share occurs, the Exercise Price and/or the additional number of Options to be issued shall be adjusted, calculated or determined in accordance with the following manner:

$$\text{New Exercise Price} = S \times \left[\frac{A}{B} \right]$$

$$\text{Number of additional Options} = T \times \left[\frac{B}{A} \right] - T$$

Where:

S = existing Exercise Price;

A = the aggregate number of issued MDGM Shares immediately before such consolidation, subdivision or conversion;

B = the aggregate number of new MDGM Shares after such consolidation, subdivision or conversion; and

T = existing number of Options held.

Each such adjustment will be effective from the close of business on the Market Day immediately following the date on which the consolidation or subdivision or conversion becomes effective (being the date when the MDGM Shares are traded on Bursa Securities), or such period as may be prescribed by Bursa Securities.

(ii) If and whenever the Company shall make any issue of MDGM Shares to ordinary shareholders by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left[\frac{A}{A + B} \right]$$

and the number of additional Options to be issued shall be calculated as follows:

$$\text{Number of additional Options} = T \times \left[\frac{A+B}{A} \right] - T$$

Where:

A = the aggregate number of issued MDGM Shares immediately before such bonus issue or capitalisation issue;

B = the aggregate number of new MDGM Shares to be issued pursuant to any allotment to ordinary shareholders of the Company by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any share premium account and capital redemption reserve fund);

S = as S in By-Law 15.9(i) hereof; and

T = as T in By-Law 15.9(i) hereof.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(iii) If and whenever the Company shall make:

(a) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or

(b) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for MDGM Shares by way of rights; or

(c) any offer or invitation to its ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into MDGM Shares or securities with rights to acquire or subscribe for MDGM Shares,

then and in respect of each such case, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left[\frac{C - D}{C} \right]$$

and in respect of the case referred to in By-Law 15.9(iii)(b) and (iii)(c) hereof, the number of additional Options to be issued shall be calculated as follows:

$$\text{Number of additional Options} = T \times \left[\frac{C}{C-D^*} \right] - T$$

Where:

S = as S in By-Law 15.9(i) hereof;

T = as T in By-Law 15.9(i) hereof;

C = the prevailing market price of each Share at the close of business on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation;

D = (A) in the case of an offer or invitation to acquire or subscribe for MDGM Shares by way of rights under By-Law 15.9(iii)(b) hereof or for securities convertible into MDGM Shares or securities with rights to acquire or subscribe for MDGM Shares under By-Law 15.9(iii)(c) hereof, the value of rights attributable to one (1) MDGM Share (as defined below); or

(B) in the case of any other transaction falling within By-Law 15.9(iii) hereof, the fair market value, as determined by an auditor of the Company, of that portion of the Capital Distribution attributable to one (1) MDGM Share.

For the purpose of definition (A) of D above, the "value of the rights attributable to one (1) MDGM Share" shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

Where:

C = as C in By-Law 15.9(iii) hereof;

E = the subscription price for one (1) additional MDGM Share under the terms of such offer or invitation or subscription price for one (1) additional MDGM Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) MDGM Share under the offer or invitation; and

F = the number of MDGM Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional MDGM Share or security convertible into rights to acquire or subscribe for one (1) additional MDGM Share.

D* = the value of rights attributable to one (1) MDGM Share (as defined below).

For the purpose of definition D* above, the "value of rights attributable to one (1) MDGM Share" shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

Where:

C = as C in By-Law 15.9(iii) hereof;

E* = the subscription price for one (1) additional MDGM Share under the terms of such offer or invitation to acquire or subscribe for MDGM Shares; and

F* = the number of MDGM Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional MDGM Share.

For the purpose of By-Law 15.9(iii) hereof, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of MDGM Shares (not falling under By-Law 15.9(ii) hereof) or other securities issued by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund).

Any dividend charged or provided for in the accounts of any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders of MDGM as shown in the audited consolidated profit and loss accounts of the Company.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions.

(iv) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 15.9(ii) hereof and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 15.9(iii)(b) or (c) hereof and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left[\frac{(G \times C) + (H \times I)}{(G + H + B) \times C} \right]$$

and where the Company makes an allotment to its ordinary shareholders as provided in By-Law 15.9(ii) hereof and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 15.9(iii)(b) hereof and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional Options to be issued shall be calculated in the following manner:

$$\text{Number of additional Options} = T \times \left[\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

B = as B in By-Law 15.9(ii) hereof;

C = as C in By-Law 15.9(iii) hereof;

G = the aggregate number of issued MDGM Shares on the Entitlement Date;

H = the aggregate number of new MDGM Shares under an offer or invitation to acquire or subscribe for MDGM Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into MDGM Shares or rights to acquire or subscribe for MDGM Shares, as the case may be;

H* = the aggregate number of new MDGM Shares under an offer or invitation to acquire or subscribe for MDGM Shares by way of rights;

I = the subscription price of one (1) additional MDGM Share under an offer or invitation to acquire or subscribe for MDGM Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional MDGM Share, as the case may be;

I* = the subscription price of one (1) additional MDGM Share under the offer or invitation to acquire or subscribe for MDGM Shares;

S = as S in By-Law 15.9(i) hereof; and

T = as T in By-Law 15.9(i) hereof.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(v) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for MDGM Shares as provided in By-Law 15.9(iii)(b) hereof together with an offer or invitation to acquire or subscribe for securities convertible into MDGM Shares or rights to acquire or subscribe for MDGM Shares as provided in By-Law 15.9(iii)(c) hereof, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left[\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}\right]$$

and the number of additional Options to be issued shall be calculated in the following manner:

$$\text{Number of Additional Options} = T \times \left[\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)}\right] - T$$

Where:

C = as C in By-Law 15.9(iii) hereof;

G = as G in By-Law 15.9(iv) hereof;

H = as H in By-Law 15.9(iv) hereof;

H* = as H* in By-Law 15.9(iv) hereof;

I = as I in By-Law 15.9(iv) hereof;

I* = as I* in By-Law 15.9(iv) hereof;

J = the aggregate number of MDGM Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for MDGM Shares by the ordinary shareholders;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional MDGM Share;

S = as S in By-Law 15.9(i) hereof; and

T = as T in By-Law 15.9(i) hereof.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(vi) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 15.9(ii) hereof and also makes an offer or invitation to acquire or subscribe for MDGM Shares to its ordinary shareholders as provided in By-Law 15.9(iii)(b) hereof, together with rights to acquire or subscribe for securities convertible into MDGM Shares or with rights to acquire or subscribe for MDGM Shares as provided in By-Law 15.9(iii)(c) hereof, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left[\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C} \right]$$

and the number of additional Options to be issued shall be calculated in the following manner:

$$\text{Number of Additional Options} = T \times \left[\frac{(G + H^{*} + B) \times C}{(G \times C) + (H^{*} \times I^{*})} \right] - T$$

Where:

B = as B in By-Law 15.9(ii) hereof;

C = as C in By-Law 15.9(iii) hereof;

G = as G in By-Law 15.9(iv) hereof;

H = as H in By- Law 15.9(iv) hereof;

H* = as H* in By- Law 15.9(iv) hereof;

I = as I in By- Law 15.9(iv) hereof;

I* = as I* in By- Law 15.9(iv) hereof;

J = as J in By- Law 15.9(v) hereof;

K = as K in By- Law 15.9(v) hereof;

S = as S in By- Law 15.9(i) hereof; and

T = as T in By- Law 15.9(i) hereof.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(vii) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of MDGM and requiring an adjustment under By-Laws 15.9(iii)(b), (iii)(c), (iv), (v) or (vi) hereof), the Company shall issue either any MDGM Shares or any securities convertible into MDGM Shares or any rights to acquire or subscribe for MDGM Shares, and in any such case, the Total Effective Consideration per MDGM Share (as defined below) is less than ninety per cent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the MDGM Shares will be issued and/or transferred upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = S \times \left[\frac{L + M}{L + N} \right]$$

Where:

L = the number of MDGM Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

M = the number of MDGM Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses);

N = the aggregate number of MDGM Shares so issued or, in the case of securities convertible into MDGM Shares or rights to acquire or subscribe for MDGM Shares, the maximum number (assuming no adjustment of such rights) of MDGM Shares issuable upon full conversion of such securities or the exercise in full of such rights; and

S = as S in By-Law 15.9(i) hereof.

For the purpose of By-Law 15.9(vii), the "Total Effective Consideration" shall be determined by the Board with the concurrence of an external auditor of the Company and shall be:

(a) in the case of the issue of MDGM Shares, the aggregate consideration receivable by the Company on payment in full for such MDGM Shares; or

(b) in the case of the issue by the Company of securities wholly or partly convertible into Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or

(c) in the case of the issue by the Company of securities with rights to acquire or subscribe for MDGM Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and "Total Effective Consideration per MDGM Share" shall be the Total Effective Consideration divided by the number of MDGM Shares issued as aforesaid or, in the case of securities convertible into MDGM Shares or securities with rights to acquire or subscribe for MDGM Shares, by the maximum number of MDGM Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 15.9(vii), the Average Price of a MDGM Share shall be the average price of one (1) MDGM Share as derived from the last dealt prices for one (1) or more board lots of MDGM Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such MDGM Shares is determined.

Each such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the Market Day next following the date on which the issue is announced, or (failing any such announcement) on the Market Day next following the date on which the Company determines the offering price of such MDGM Shares. Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the date of the completion of the above transaction.

For the purposes of By-Law 15.9(iii), (iv), (v) and (vi) the current market price in relation to one (1) existing MDGM Shares for any relevant day shall be the weighted average market price for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

(viii) The foregoing provisions on adjustment of the Exercise Price shall be subject to the following:

(a) On any such adjustment the resultant Exercise Price shall be rounded up to the nearest one (1) sen and in no event shall any adjustment involve an increase in the Exercise Price or reduce the number of Options so far as unexercised to which the Grantee is already entitled to;

(b) No adjustment shall be made to the Exercise Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of "would be less than one (1) sen" or the number of Options so far as unexercised is less than one (1) Option and any adjustment that would otherwise be required then to be made will not be carried forward;

(c) If an event giving rise to any such adjustment shall be capable of falling within any two (2) or more of paragraphs (i) to (ii) of By-Law 15.1 hereof (both inclusive) or if such event is capable of giving rise to more than one (1) adjustment, the adjustment shall be made in such manner as the Directors of the Company and the external auditor of the Company may agree;

(d) If for any reason an event giving rise to an adjustment to the Exercise Price and/or the number of Options so far as unexercised to which a Grantee may be entitled to is cancelled, revoked or not completed, the adjustment shall not be required to be made or shall be reversed with effect from such date and in such manner as the Directors of the Company and the external auditor of the Company may agree;

(e) In any circumstances where the Board considers that adjustments to the Exercise Price and/or the number of Options so far as unexercised as provided for hereunder should be made or should not be made or should be calculated on a different basis or different date, the Company may appoint the external auditors of the Company or the Adviser to consider whether for any reasons whatsoever (to the extent permissible by the Listing Requirements or any other relevant regulations) the adjustment calculation or determination to be made (or the absence of an adjustment calculation or determination) is appropriate or inappropriate as the case may be. If such external auditor or Adviser shall consider the adjustment calculation or determination to be inappropriate, the adjustment shall be modified or nullified (or an adjustment calculation or determination made even though not required to be made) in such manner as may be considered by such external auditors or Adviser to be appropriate;

(f) If the Board and the external auditors of the Company or Adviser are unable to agree upon any adjustment required under these provisions, the Boards shall refer the adjustment to the decision of another external auditor or Adviser; and

(g) In making adjustments hereunder, the other external auditor or Adviser (as the case may be) shall be deemed to be acting as experts and not as arbitrators and, in the absence of manifest error, their decisions shall be conclusive and binding on all person having an interest in the Options.

16. LISTING AND QUOTATION OF NEW SHARES

If at the time of allotment of the new MDGM Shares pursuant to the exercise of the Options, the then existing issued ordinary shares of the Company are quoted on Bursa Securities, the Company shall make an application to Bursa Securities within eight (8) Market Days after the receipt of the notice of exercise and remittance from the Grantee or such other period as may be prescribed by Bursa Securities, for the listing and quotation of such new MDGM Shares and use its best endeavours to obtain such approval unless a blanket approval for the listing and quotation of the new MDGM Shares arising from the ESOS has been obtained.

17. RETENTION PERIOD

The new MDGM Shares to be allotted and issued to the Grantees pursuant to the exercise of the Options under the ESOS may be dealt with or disposed of by such Grantees who will not be subject to any retention period.

18. ADMINISTRATION

18.1 This ESOS shall be administered by the Nomination and Remuneration Committee comprising such number of Directors and/or Senior Management personnel as shall be appointed by the Board from time to time. The Nomination and Remuneration Committee shall, subject to these By-Laws administer the ESOS and regulate the Nomination and Remuneration Committee's own proceedings in such manner as it shall think fit.

18.2 Without limiting the generality of By-Law 18.1 hereof, the Nomination and Remuneration Committee may, for the purpose of administering the ESOS, do all acts and things, rectify any errors in its Offers, recommend to the Board to establish, amend and revoke rules and regulations relating to the ESOS and its administration, execute all documents and delegate any of its powers and duties relating to the ESOS as it may in its discretion consider to be necessary or desirable for giving effect to the ESOS.

18.3 The Board shall have power at any time and from time to time to rescind the appointment of any person in the Nomination and Remuneration Committee as it shall deem fit and may appoint replacement members to the Nomination and Remuneration Committee.

18.4 The Board shall have the power to determine all matters pertaining to the Nomination and Remuneration Committee, including without limitation setting the terms of reference for the Nomination and Remuneration Committee, composition, duties, powers and limitations. The Board is entitled at any time and from time to time to change the terms of reference of the Nomination and Remuneration Committee.

19. AMENDMENT AND/OR MODIFICATION TO THE SCHEME

19.1 Subject to the compliance with the Listing Requirements and any laws and/or regulations of other relevant authorities, the Nomination and Remuneration Committee may at any time and from time to time recommend to the Board any additions or amendments to or deletions of these By-Laws as it shall in its discretion think fit and the Board shall have the power by resolution to add, amend or delete all or any of these By-Laws upon such recommendation **PROVIDED ALWAYS THAT** no additions or amendments to or deletions of these By-Laws shall be made which will:

(i) prejudice any rights then accrued to any Grantee without the prior consent or sanction of that Grantee; or

(ii) increase the number of MDGM Shares available under the ESOS beyond the maximum imposed by By-Law 4.2 hereof; or

(iii) alter to the advantage of any Eligible Person in respect of any matters which are required to be contained in these By-Laws by virtue of Appendix 6E of the Listing Requirements, without the prior approval of the Company's shareholders in a general meeting unless allowed otherwise by the provisions of the Listing Requirements.

19.2 Any amendments/modifications to these By-Laws shall not contravene any of the provisions of the guidelines on employees' share option schemes as stipulated under the Listing Requirements and/or by any other relevant regulatory authority in relation to ESOS.

19.3 Upon amending and/or modifying all or any of the provisions of the ESOS, the Company shall within five (5) Market Days, submit a confirmation letter to Bursa Securities for the amendments made, that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements pertaining to ESOS pursuant to Paragraph 2.12 of the Listing Requirements. In such event, the Nomination and Remuneration Committee shall furnish a written notification to all Grantees and the Company shall make all necessary announcements to Bursa Securities in respect of such amendments and/or modifications.

20. DISPUTES

In the event of any dispute or difference arising between the Nomination and Remuneration Committee and an Eligible Person or a Grantee, as to any matter or thing of any nature arising hereunder, the Nomination and Remuneration Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) to the Eligible Person or the Grantee, as the case may be **PROVIDED ALWAYS THAT** where the dispute or difference is raised by a member of the Nomination and Remuneration Committee, the said member shall abstain from voting in respect of the decision of the Nomination and Remuneration Committee in that instance. The said decision shall be final and binding on the parties unless the Eligible Person or the Grantee, as the case may be, shall dispute the same by written notice to the Nomination and Remuneration Committee within fourteen (14) calendar days of the receipt of the written decision, in which case such dispute or difference shall be referred to the decision of the Board, whose decision shall be final and binding in all respects.

21. SCHEME NOT A TERM OF EMPLOYMENT

The ESOS shall not form part of or constitute or in any way be construed as a term or condition of employment of any employee. The ESOS shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the MDGM Group under which the Eligible Person is employed or any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment.

22. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the administration and management of the ESOS including but not limited to the fees, costs and expenses relating to the Trust and the allotment and issuance of new MDGM Shares pursuant to the exercise of the Options shall be borne by the Company. Notwithstanding this, the Grantee shall bear any fees, costs (including any taxes and stamp duty) and expenses incurred in relation to his/ her acceptance and exercise of the Options (including all brokerage fees, commission and such other incidental costs arising from the sale of the shares).

23. CONSTITUTION

Notwithstanding the terms and conditions contained in these By-Laws, if a situation of conflict should arise between these By-Laws and the Constitution of the Company, the provisions of the Constitution of the Company shall prevail at all times.

24. INSPECTION OF AUDITED FINANCIAL STATEMENTS

All Grantees are entitled to inspect the latest audited financial statements of the Company during the normal business hours on any working day at the registered office of the Company.

25. TRANSFER FROM OTHER COMPANIES TO THE MDGM GROUP

In the event that:

(i) a director or employee who was employed in a company related to but not within the MDGM Group and is subsequently transferred from such company to any company within the MDGM Group; or

(ii) a director or employee who was in the employment of a company which subsequently becomes a company within the MDGM Group as a result of a restructuring exercise or otherwise involving MDGM and/or any company within the MDGM Group,

(the first mentioned company in (i) and (ii) above are hereinafter referred to as the **"Previous Company"**), such a director or employee of the Previous Company ("**the Affected Director/Employee**"), subject to By-Law 7 hereof, will:

(i) be entitled to continue to exercise all such unexercised Option(s) which were granted to him under the Previous Company's employees' share option scheme ("**Previous Company's ESOS**") in accordance with the by-laws of the Previous Company's ESOS but he shall not, upon such transfer or restructuring or divestment as the case may be, be eligible to participate for further options of such Previous Company's ESOS; and/or

(ii) be eligible to participate in the ESOS only for the remaining duration of the ESOS, subject to the Nomination and Remuneration Committee's approval; and/or

(iii) if the Affected Director/Employee had participated in the Previous Company's ESOS, the number of new MDGM Shares to be offered to such Affected Director/Employee under the ESOS shall be subject to the sole and absolute discretion of the Nomination and Remuneration Committee.

26. DIVESTMENT FROM THE MDGM GROUP

If a Grantee who was in the employment of a company in the MDGM Group, which was subsequently divested wholly, or in part, from the MDGM Group, resulting in such company no longer be a subsidiary of MDGM pursuant to Section 4 of the Act, then such Grantee:

(i) notwithstanding such divestment and subject to the provisions of By-Laws 11 and 14.2 hereof will be entitled to continue to exercise all such unexercised Options which were granted to him under the ESOS within a period of three (3) months from the date of completion of such divestment or within the Exercise Period, whichever ends earlier, failing which the right of such Grantee to subscribe for that number of the new MDGM Shares or any part thereof granted under such unexercised Options shall automatically lapse and be null and void and of no further force and effect; and

(ii) shall not be eligible to participate for further Options under the ESOS.

For the avoidance of doubt, where the Grantee was in the employment of a company in the MDGM Group and that company was subsequently partially divested but remained as a subsidiary of MDGM pursuant to Section 4 of the Act, then such Grantee shall continue to be entitled to all his/ her rights in relation to the unexercised Options and he/she shall be eligible for further participation of the Options under the ESOS.

27. TAKE-OVER AND MERGERS

Notwithstanding By-Law 11 hereof and subject to the provisions of any applicable statutes, rules, regulations and/or conditions issued by the relevant regulatory authorities, in the event of:

(i) a take-over offer being made for the Company, under the Rules on Take-overs, Mergers and Compulsory Acquisitions, to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over offer ("**Offeror**") or any persons acting in concert with the Offeror), any unexercised Options shall remain in force and be exercisable until the expiry of the Exercise Period applicable thereto; and

(ii) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of new MDGM Shares under the provisions of the Capital Markets and Services Act, 2007 (or other legislation applicable at the point of time), and gives notice to the Company and Grantee that it intends to exercise such right on a specific date, a Grantee will be entitled to exercise any unexercised Options from the date of service of the said notice until and inclusive of the date on which the right of compulsory acquisition is exercised **PROVIDED ALWAYS THAT** any Options to the extent unexercised after the date on which the right of compulsory acquisition is exercised shall lapse and immediately cease to have any effect.

28. SUBSEQUENT EMPLOYEES' SHARE OPTION SCHEMES

28.1 Subject to the approval of the relevant authorities and compliance with the requirements of the relevant authorities, the Company may establish a new employees' share option scheme after the Date of Expiry if the ESOS is not renewed or after termination of the ESOS pursuant to By-Law 5.6 hereof. Where the ESOS has been renewed (in accordance with By-Law 5.3 hereof), a new employees' share option scheme may be established upon expiry of the renewed ESOS, if any.

28.2 The Company may establish more than one (1) employees' share option scheme during the duration of the ESOS as provided in By-Law 5.3 hereof provided always that the aggregate number of Shares available under all the employees' share option schemes does not exceed five per centum (5%) or any other percentage as may be allowed by Bursa Securities, of the total number of issued Shares of the Company (excluding treasury shares) at any point in time.

29. NO COMPENSATION

29.1 A Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the ESOS which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or other breach of contract or by way of compensation for loss of office.

29.2 No Eligible Person or Grantee or legal personal representatives shall bring any claim, action or proceeding against the Company or the Board, the Nomination and Remuneration Committee, the Trustee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension of his rights to exercise his Options or his Options ceasing to be valid pursuant to the provisions of these By-Laws, as may be amended from time to time in accordance with By-Law 19 hereof or termination of the ESOS in accordance with By-Law 5 hereof.

30. TAXES

All taxes (including income tax), if any, arising from the exercise of any Option under the ESOS shall be borne by the Grantee.

31. WINDING UP

In the event of a members' voluntary winding-up and a resolution is passed for the winding-up or liquidation of the Company, all unexercised Options shall automatically lapse and be null and void and of no further force and effect from the date of the members' resolution for such winding-up or liquidation of the Company.

In the event a petition is presented in Court for the winding-up or liquidation of the Company, all rights to exercise the Options shall automatically be suspended from the date of the presentation of the petition. If a court order for winding-up the Company pursuant to the petition for winding-up is made, all unexercised Options shall automatically lapse and be null and void and of no further force and effect from the date of the court order. Conversely, if the petition for winding-up is dismissed by the Court, the right to exercise the Options shall accordingly be unsuspended.

32. RIGHTS OF A GRANTEE

The Options shall not carry any rights to vote at any general meeting of the Company. The Grantee shall not in any event be entitled to any dividends, rights or other entitlements on his unexercised Options.

33. SEVERABILITY

Any term, condition, stipulation or provision in these By-Laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation and provision herein contained.

34. GOVERNING LAW AND JURISDICTION

34.1 The ESOS shall be governed by and construed in accordance with the laws of Malaysia. The Grantee, by accepting the Options in accordance with these By-Laws and terms of the ESOS, irrevocably submits to the exclusive jurisdiction of the courts of Malaysia.

34.2 In order to facilitate the making of any Offer under the ESOS, the Board may provide for such special terms to the Eligible Person(s) who are employed by any corporation in the Group in a particular jurisdiction as the Board may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The Board may further approve such supplements to or amendments, restatements or alternative versions of the ESOS as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the ESOS as in effect for any other purpose, and the appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the ESOS. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of the ESOS, as then in effect, unless the ESOS has been amended to eliminate such inconsistency. Notwithstanding the above, any Offer made to such Eligible Person(s) pursuant to the ESOS shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the Nomination and Remuneration Committee in the Offer.

35. NOTICE

35.1 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the ESOS shall be in writing and shall be deemed to be sufficiently given:

(i) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his address, such notice shall be deemed to have been received three (3) Market Days after posting; or

(ii) if it is given by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; or

(iii) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received upon confirmation or notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or the Grantee shall be communicated in writing to the Company and the Nomination and Remuneration Committee.

35.2 Any notification or other notice required to be given to the Company or the Nomination and Remuneration Committee shall be properly given if sent by registered post or delivered by hand to the Company at its business address or any other address which may be notified in writing by the Nomination and Remuneration Committee from time to time.

ANNEXURE B: OUR MAJOR LICENCES, PERMITS AND APPROVALS

We have various licences and permits for our operations in Malaysia. Details of our major licences, permits and approvals for our operations as at the LPD together with the salient conditions imposed are as follows:

No.	Licensee	Approving Authority	Premises	Description of Licence/ Permit/ Approval	Validity Period	Status of Compliance
1.	MDT	Kajang Municipal Council	Lot 1851-A & 1851-B, Jalan KPB 6, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor. (Facility A)	Trade, Business and Industrial Licence (Management Office / Warehouse)	Up to 1 July 2021	Complied(1)
2.	MDT	Kajang Municipal Council	Lot No. 1027, Jalan KB 2/15, Kampung Baru Balakong, 43200 Cheras, Selangor. (Facility C)	Trade, Business and Industrial Licence (Management Office / Warehouse)	Up to 12 March 2021	Complied
3.	MDE	Kajang Municipal Council	Lot 1849-A, Jalan KPB 10, Kampung Baru Balakong, 43200 Cheras, Selangor. (Facility E)	Trade, Business and Industrial Licence (Warehouse) (Temporary)	Up to 11 December 2020	Complied
4.	MDT	Kajang Municipal Council	(2 Units) Lot 1770, Jalan KPB 6, Kawasan Perindustrian Kampung Baru Balakong, 43300 Seri Kembangan, Selangor. (Facility F)	Trade, Business and Industrial Licence (Management/Services Office / Warehouse) (Temporary)	Up to 16 January 2021	Complied
5.	MDT	Kajang Municipal Council	Lot. 1907, Jalan KPB 11, Kawasan Perindustrian Kg. Baru Balakong, 43300 Seri Kembangan, Selangor. (Facility H)	Trade, Business and Industrial Licence (Warehouse)	Up to 20 August 2021	Complied
6.	MDT	Kajang Municipal Council	Lot. 31, Jalan CJ 1/1, Kawasan Perindustrian Cheras Jaya, 43200 Balakong Selangor. (Facility K)	Trade, Business and Industrial Licence (Warehouse) (Temporary)	Up to 28 January 2021	Complied

Note:

(1) The condition is to comply with the Guidelines on Business and Industrial Licenses (Garis Panduan Lesen Perniagaan dan Perindustrian).

ANNEXURE C: DETAILS OF LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS

The Malaysian trademark licences that we are materially dependent on are as follows:

No.	Trademark	Class / Registration No. / Expiry Date / Description of trademark
1.		Class 8 - Registration No.: 2012060448 - Expiry Date: 31.12.2022 Blades [hand tools]; cutting tools [hand tools]; diggers [hand tools]; drill holders [hand tools]; hammers [hand tools]; rammers [hand tools]; hand tools, hand-operated; cutlery; side arms, other than firearms; razor blades; razor cases; razor strops; needle files; all included in class 8.
2.		Class 19 – Registration No.: 2014068258 - Expiry Date: 05.12.2024 Advertisement columns, not of metal; alabaster; alabaster glass; aquaria [structures]; aquarium gravel; aquarium sand; arbours [structures not of metal]; artificial stone; asphalt; asphalt paving; balustrading; beams, not of metal; bicycle parking installations, not of metal; blinds [outdoor], not of metal and not of textile; branching pipes, not of metal; building glass; building paper; cardboard (building -); clay; coverings, not of metal, for building; crash barriers, not of metal, for roads; door casings, not of metal; door panels, not of metal; doors, not of metal; drain pipes, not of metal; drain traps [valves], not of metal or plastic; fences, not of metal; figurines [statuettes] of stone, concrete or marble; fireclay; flashing, not of metal, for building; floor boards (parquet -); floor tiles, not of metal; flooring (parquet -); floors, not of metal; gutter pipes, not of metal; jalousies, not of metal; manhole covers, not of metal; palings, not of metal; palisading, not of metal; pipes (drain -) not of metal; pipes (gutter -) not of metal; pipes (penstock -), not of metal; pipes (water-), not of metal; poles, not of metal, for electric power lines; posts, not of metal, for electric power lines; wall tiles, not of metal, for building; water-pipe valves, not of metal or plastic; water-pipes, not of metal; wood for making household utensils; wood panelling; wood paving; wood pulp board, for building; wood, semi-worked; wood veneers; all included in class 19.
		Class 22 – Registration No.: 2014068261 - Expiry Date: 05.12.2024 Awnings; bags (mall -); bags [sacks] for the transport and storage of materials in bulk; belt, not of metal, for handling loads; binding thread, not of metal, for agricultural purposes; body bags; bottle envelopes of straw; bottles (straw wrappers for -); cables, not of metal; car towing ropes; carbon fibers [fibres] for textile use; cloth (tarred brattice -); cords for hanging pictures, etc.; cords (sash -); cotton (raw -); cotton tow; envelopes (bottle -) of straw; fishing nets; hammocks; hosiery (bags for washing -); ladder tapes for venetian blinds; ladders (rope -); loads (slings, not of metal, for handling -); mail bags; net; nets (twine for -); packing [cushioning, stuffing] materials, not of rubber or plastic; packing, of straw, for bottles; packing rope; packing string; padding materials, not of rubber or plastics; paper (twine made of -); rope ladders; ropes; ropes (car towing -); ropes, not of metal; sacks [bags] of textile, for packaging; tents; textile fibers [fibres]; twine for nets; twine made of paper; vehicle covers, not fitted; wrapping or binding bands, not of metal; all included in class 22.

ANNEXURE C: DETAILS OF LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Class / Registration No. / Expiry Date / Description of trademark
		Class 24 - Registration No.: 2014068265 - Expiry Date: 05.12.2024 Balloons (fabric impervious to gases for aeronautical -); banners; bath linen, except clothing; bed blankets; bed clothes; bed covers; bed covers of paper; bed linen; bedspreads; billiard cloth; blankets (bed -); bolting cloth; brocades; buckram; calico; calico cloth (printed -); canvas for tapestry or embroidery; cheese cloth; chenille fabric; cloth; coasters [table linen]; cotton fabrics; coverings (furniture -) of textile; coverings of plastic for furniture; coverlets [bedspreads]; covers (fitted toilet lid -) of fabric; covers for cushions; covers [loose] for furniture; curtain holders of textile material; curtains of textile or plastic; cushions (covers for -); door curtains; drugget; flags, not of paper; flannel [fabric]; flannel (sanitary -); footwear (fabric for -); furniture coverings of plastic; furniture coverings of textile; furniture (loose covers for -); hemp cloth; hemp fabric; household linen; linen (household -); mats (place -), not of paper; mattress covers; mosquito nets; napkins, of cloth, for removing make-up; napkins of textile (table -); net curtains; nets (mosquito -); pillow shams; pillowcases; place mats, not of paper; plastic material [substitute for fabric]; printers' blankets of textile; quilts; rugs (travelling -) [lap robes]; runners (table -); sanitary flannel; sheets [textile]; shower curtains of textile or plastic; shrouds; sleeping bags [sheeting]; table linen, not of paper; table napkins of textile; table runners; tablecloths, not of paper; tablemats, not of paper; tapestry [wall hangings], of textile; tissues of textile for removing make-up; towels of textile; travelling rugs [lap robes]; wall hangings of textile; washing mitts; zephyr [cloth]; all included in class 24. Class 27 - Registration No.: 2014068266 - Expiry Date: 05.12.2024 Artificial turf; automobile carpets; bath mats; carpet underlay; carpets; carpets for automobiles; coverings (floor -); door mats; floor coverings; gymnasium mats; hangings (wall -), not of textile; linoleum; mats; mats of woven rope for ski slopes; non-slip mats; reed mats; rugs; ski slopes (mats of woven rope for -); tapestry [wall hangings], not of textile; textile wallpaper; turf (artificial -); vinyl floor coverings; wall hangings, not of textile; wall paper; all included in class 27. Class 11 - Registration No.: 2017050514 - Expiry Date: 11.01.2027 Automobile lights; bath fittings; bath fittings (hot air -); bath installations; bath installations (sauna -); bath linings; bath plumbing fixtures; bath tubs; bath tubs for sitz baths; baths (heaters for -); baths (spa -) [vessels]; electric lamps; fans (electric -) for personal use; flashlights [torches]; gas lighters; headlights for automobiles; lamp casings; lamp chimneys; lamp glasses; lamp globes; lamp mantles; lamp reflectors; lamp shades; lamps; lamps (burners for -); lamps for directional signals of automobiles; lamps (globes for -); lanterns for lighting; light bulbs; light bulbs, electric; light bulbs for directional signals for vehicles; light diffusers; light-emitting diodes [led] lighting apparatus; lighters; lighting apparatus and installations; lighting apparatus for vehicles; lighting installations for air vehicles; lights (diving -); lights, electric, for christmas trees; lights for automobiles; lights for vehicles; sockets for electric lights; taps [cocks, spigots] [faucets (am.)] for pipes; taps [faucets]; torches for lighting; torches (pocket -), electric; tubes (discharge -), electric, for lighting; tubes (luminous -) for lighting; ultraviolet ray lamps, not for medical purposes; vehicle headlights; vehicles (lights for -); water closets; water conduits installations; water distribution installations; water filtering apparatus; water flushing installations; water-pipes for sanitary installations; all included in class 11.

ANNEXURE C: DETAILS OF LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Class / Registration No. / Expiry Date / Description of trademark
3.	MR.D.I.Y.	Class 19 - Registration No.: 2014068268 - Expiry Date: 05.12.2024 Advertisement columns, not of metal; alabaster; alabaster glass; aquaria [structures]; aquarium gravel; aquarium sand; arbours [structures not of metal]; artificial stone; asphalt; asphalt paving; balustrading; beams, not of metal; bicycle parking installations, not of metal; blinds [outdoor], not of metal and not of textile; branching pipes, not of metal; building glass; building paper; cardboard (building -); clay; coverings, not of metal, for building; crash barriers, not of metal, for roads; door casings, not of metal; door panels, not of metal; doors, not of metal; drain pipes, not of metal; drain traps [valves], not of metal or plastic; fences, not of metal; figurines [statuettes] of stone, concrete or marble; fireclay; flashing, not of metal, for building; floor boards (parquet -); floor tiles, not of metal; flooring (parquet -); floors, not of metal; gutter pipes, not of metal; jalousies, not of metal; manhole covers, not of metal; palings, not of metal; palisading, not of metal; pipes (drain -) not of metal; pipes (gutter -) not of metal; pipes (penstock -), not of metal; pipes (water -), not of metal; poles, not of metal, for electric power lines; posts, not of metal, for electric power lines; wall tiles, not of metal, for building; water-pipe valves, not of metal or plastic; water-pipes, not of metal; wood for making household utensils; wood panelling; wood paving; wood pulp board, for building; wood, semi-worked; wood veneers; all included in class 19. Class 27 - Registration No.: 2014068274 - Expiry Date: 05.12.2024 Artificial turf; automobile carpets; bath mats; carpet underlay; carpets; carpets for automobiles; coverings (floor -); door mats; floor coverings; gymnasium mats; hangings (wall -), not of textile; linoleum; mats; mats of woven rope for ski slopes; non-slip mats; reed mats; rugs; ski slopes (mats of woven rope for -); tapestry [wall hangings], not of textile; textile wallpaper; turf (artificial -); vinyl floor coverings; wall hangings, not of textile; wall paper; all included in class 27.

ANNEXURE C: DETAILS OF LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Class / Registration No. / Expiry Date / Description of trademark
		Class 9 - Registration No.: 2015051880 - Expiry Date: 10.02.2025 Accounting machines; accumulator jars; accumulators, electric; accumulators, electric, for vehicles; alarm bells, electric; alarms; alarms (fire-); anti-theft warning apparatus; asbestos gloves for protection against accidents; batteries, electric; batteries, electric, for vehicles; batteries for lighting; battery boxes; battery chargers; battery jars; bells (alarms-), electric; bell (signal-); bells [warning devices]; binoculars; cables (coaxial-); cables, electric; cables (fibre [fiber (am.)] optic-); cables (junction sleeves for electric-); cameras (cinematographic-); cameras [photography]; detectors; detectors (metal-) for industrial or military purposes; detectors (smoke-); discs (compact-) [audio-video]; discs (compact-)[read-only memory]; discs (optical-); electric components; electric condensers; electric contact switches; electric control apparatus for lights; electric door bells; electric installations for the remote control of industrial operations; flashing lights [luminous signals]; flashlights [photography]; fluorescent screens; galvanic batteries; galvanic cells; gloves for divers; gloves for protection against accidents; goggles for sports; holders adapted for mobile phones; lanterns (magic-); lanterns (optical-); light dimmers [regulators], electric; light (traffic-) apparatus [signalling devices]; light-emitting diodes [led]; light-emitting electronic pointers; light ballasts; lighting (batteries for-); lightning arresters; lightning conductors [rods]; locks, electric; magic lanterns; measuring devices, electric; measuring glassware; measuring instruments; measuring spoons; microphones; mouse [data processing equipment]; mouse pads; optical discs; optical lamps; optical lanterns; pads (mouse-); pens (electronic-)[visual display units]; plug sockets (electric); plugs (electric); plugs for electric connection leads; plug, sockets and other contacts [electric connections]; remote control of signals (electro-dynamic apparatus for the-); scales; scales (lever-) [steelyards]; smoke detectors; sockets, plugs and other contacts [electric connections]; socks, electrically heated; solar batteries; starters for electric lamps; temperature indicators; theft prevention installations, electric; time clocks [time recording devices]; time switches, automatic; travel adaptors for electric plugs; usb flash drives; wire connectors [electricity]; wires, electric; wires of metal alloys [fuse wire]; darkroom lights; all included in class 9. Class 35 - Registration No.: 2015051883 - Expiry Date: 10.02.2025 Wholesale and retail services connected with the sale of hardware, electronic appliances, electronic apparatus and instruments, household products, household apparatus, household utensils, stationery, car accessories, gardening articles, items for do-it-yourself purposes, bags, sports articles, sports goods, toys, shoes, slippers, clocks, fashion accessories and gift items; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase hardware, electronic appliances, electronic apparatus and instruments, household products, household apparatus, household utensils, stationery, car accessories, gardening articles, items for do-it-yourself purposes, bags, sports articles, sports goods, toys, shoes, slippers, clocks, fashion accessories and gift items; discount services (retail, wholesale or sales promotion services); management of a retail enterprise for others; all included in class 35.

ANNEXURE C: DETAILS OF LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS
(Cont'd)

No.	Trademark	Class / Registration No. / Expiry Date / Description of trademark
4.	MR.D.I.Y. Always Low Prices	Class 22 - Registration No.: 2014068271 - Expiry Date: 05.12.2024 Awnings; bags (mall -); bags [sacks] for the transport and storage of materials in bulk; belt, not of metal, for handling loads; binding thread, not of metal, for agricultural purposes; body bags; bottle envelopes of straw; bottles (straw wrappers for -); cables, not of metal; car towing ropes; carbon fibers [fibres] for textile use; cloth (tarred brattice -); cords for hanging pictures, etc.; cords (sash -); cotton (raw -); cotton tow; envelopes (bottle -) of straw; fishing nets; hammocks; hosiery (bags for washing -); ladder tapes for venetian blinds; ladders (rope -); loads (slings, not of metal, for handling -); mail bags; net; nets (twine for -); packing [cushioning, stuffing] materials, not of rubber or plastic; packing, of straw, for bottles; packing rope; packing string; padding materials, not of rubber or plastics; paper (twine made of -); rope ladders; ropes; ropes (car towing -); ropes, not of metal; sacks [bags] of textile, for packaging; tents; textile fibers [fibres]; twine for nets; twine made of paper; vehicle covers, not fitted; wrapping or binding bands, not of metal; all included in class 22. Class 24 - Registration No.: 2014068272 - Expiry Date: 05.12.2024 Balloons (fabric impervious to gases for aeronautical -); banners; bath linen, except clothing; bed blankets; bed clothes; bed covers; bed covers of paper; bed linen; bedspreads; billiard cloth; blankets (bed -); bolting cloth; brocades; buckram; calico; calico cloth (printed -); canvas for tapestry or embroidery; cheese cloth; chenille fabric; cloth; coasters [table linen]; cotton fabrics; coverings (furniture -) of textile; coverings of plastic for furniture; coverlets [bedspreads]; covers (fitted toilet lid -) of fabric; covers for cushions; covers [loose] for furniture; curtain holders of textile material; curtains of textile or plastic; cushions (covers for -); door curtains; drugget; flags, not of paper; flannel [fabric]; flannel (sanitary -); footwear (fabric for -); furniture coverings of plastic; furniture coverings of textile; furniture (loose covers for -); hemp cloth; hemp fabric; household linen; linen (household -); mats (place -), not of paper; mattress covers; mosquito nets; napkins, of cloth, for removing make-up; napkins of textile (table -); net curtains; nets (mosquito -); pillow shams; pillowcases; place mats, not of paper; plastic material [substitute for fabric]; printers' blankets of textile; quilts; rugs (travelling -) [lap robes]; runners (table -); sanitary flannel; sheets [textile]; shower curtains of textile or plastic; shrouds; sleeping bags [sheeting]; table linen, not of paper; table napkins of textile; table runners; tablecloths, not of paper; tablemats, not of paper; tapestry [wall hangings], of textile; tissues of textile for removing make-up; towels of textile; travelling rugs [lap robes]; wall hangings of textile; washing mitts; zephyr [cloth]; all included in class 24.

ANNEXURE C: DETAILS OF LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Class / Registration No. / Expiry Date / Description of trademark
		Class 21 - Registration No.: 2015054603 - Expiry Date: 26.03.2025 Boot jacks; boot trees [stretchers]; bottle gourds; bottles; bottles (refrigerating -); bowls [basins]; bowls (glass -); boxes for sweetmeats; boxes of glass; boxes of metal, for dispensing paper towels; brushes; brushes (dishwashing -); brushes (electric -), except parts of machines; brushes for cleaning tanks and containers; cloth for washing floors; clothes racks, for drying; clothes-pegs; clothes-pins; clothing stretchers; cloths for cleaning; coasters, not of paper and other than table linen; coffee filters, non-electric; coffee grinders, hand-operated; coffee percolators, non-electric; coffee services [tableware]; coldboxes (non-electric portable -); comb cases; combs; cookery molds [moulds]; cookie [biscuit] cutters; cookie jars; cooking pot sets; cooking pots; cooking skewers, of metal; cooking utensils, non-electric; coolers [ice pails]; coolers (non-electric portable -) (am.); crystal [glassware]; cups; cups (egg -); cups (fruit -); dish covers; dishes; dishes (butter -); dishes for soap; drinking glasses; drinking straws; drinking troughs; drinking vessels; glass bulbs [receptacles]; glass caps; glass flasks [containers]; glass for vehicle windows [semi-finished product]; glass jars [carboys]; glass (opal -); glass [receptacles]; glass stoppers; glass, unworked or semi-worked, except building glass; glass vials [receptacles]; glass wool other than for insulation; glassware (painted -); glove stretchers; gloves for household purposes; ice buckets; jugs; kitchen containers; kitchen mixers, non-electric; kitchen utensils; knife rests for the table; molds [kitchen utensils]; mop wringers; mops; mosaics of glass, not for building; mugs; nail brushes; napkin holders; nest eggs, artificial; plate glass [raw material]; plates (paper -); plates to prevent milk boiling over; polishing gloves; polishing leather; polishing materials for making shiny, except preparations, paper and stone; porcelain ware; pot lids; pots; powdered glass for decoration; salt cellars; shakers; shaving brush stands; shaving brushes; shoe brushes; shoe horns; shoe trees [stretchers]; soap boxes; soap dispensers; soap holders; strainers; table plates; table plates (disposable -); tableware, other than knives, forks, and spoons; tanks [indoor aquaria]; tea balls; tea caddies; tea cosies; tea infusers; tea services [tableware]; tea strainers; teapots; tie presses; toilet brushes; toilet cases; toilet paper dispensers; toilet paper holders; toilet sponges; toilet utensils; toothbrushes; toothbrushes, electric; toothpick holders; toothpicks; vacuum bottles; vanity cases (fitted -); vegetable dishes; vessels of metal for making ices and iced drinks; washing boards; washtubs; waste paper baskets; water apparatus for cleaning teeth and gums; watering cans; watering devices; wax-polishing appliances, non-electric, for shoes; whisks, non-electric, for household purposes; window-boxes; wine tasters [siphons]; wool (steel -) for cleaning; wool waste for cleaning; works of art, of porcelain, terra-cotta or glass; all included in class 21.

ANNEXURE C: DETAILS OF LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Class / Registration No. / Expiry Date / Description of trademark
		Class 7 - Registration No.: 2017050521- Expiry Date: 11.01.2027 Cutters [machines]; cutting machines; drilling machines; drives (pedal -) for sewing machines; driving chains other than for land vehicles; driving motors other than for land vehicles; electric hand drills; electric hammers; electric welding apparatus; embossing machines; finishing machines; fruit pressers, electric, for household purposes; galvanizing machines; grinders/crushers, electric, for household purposes; grinding machines; guns (glue -), electric; guns (spray -) for paint; guns [tools using explosives]; hair clipping machines for animals; handling apparatus for loading and unloading; handling machines, automatic [manipulators]; kitchen machines, electric; knitting machines; knives, electric; knives for mowing machines; lubricating pumps; machine tools; milling machines; mowing and reaping machines; mud catchers and collectors [machines]; pneumatic hammers; pneumatic transporters; pneumatic tube conveyors; polishing (machines and apparatus for -) [electric]; rams [machines]; reapers; riveting machines; saw benches [parts of machines]; saw blades [parts of machines]; saws [machines]; scissors, electric; sealing joints [parts of engines]; sealing machines for industrial purposes; sealing plastics (electrical apparatus for -) [packaging]; spraying machines; straw [chaff] cutters; swaging machines; taps [parts of machines, engines or motors]; tilt hammers; hand-held tools, other than hand-operated; tools (holding devices for machine -); tools [parts of machines]; torque converters other than for land vehicles; transmission chains other than for land vehicles; transmission for machines; trimming machines; vacuum cleaner attachments for disseminating perfumes and disinfectants; vacuum cleaner bags; vacuum cleaner hoses; vacuum cleaners; vacuum pumps [machines]; washing machines; washing machines (coin-operated); washing machines [laundry]; wax-polishing (machines and apparatus -), electric; weeding machines; welding apparatus (electric -); welding apparatus (electric arc -); welding apparatus, gas-operated; welding machines; welding machines, electric; all included in class 7. Class 6 - Registration No.: 2017050589 - Expiry Date: 11.01.2027 Bolts (door -) of metal; bolts, flat; bolts (lock -); bolts of metal; bottle caps of metal; cable joints of metal, non-electric; cables and pipes (clips of metal for -); cables of metal, non-electric; door bells, non-electric; door cases of metal; door closers, non-electric; door fittings, of metal; door frames of metal; door handles of metal; door knockers; door openers, non-electric; door panels of metal; door springs, non-electric; drain pipes of metal; drain traps [valves] of metal; eye bolts; grilles of metal; handles (ferrules of metal for -); hardware of metal, small; hooks [metal hardware]; hooks of metal for clothes rails; hoop iron; hoop steel; hoops of metal (barrel -); hoppers of metal, non-mechanical; house numbers of metal, non-luminous; iron strip; iron wire; locks of metal for bags; locks and keys of metal; locks of metal for vehicles; locks of metal, other than electric; nails; numberplates, of metal; numerals (letters and -) of common metal, except type; nuts of metal; pipes of metal; pipes of metal, for central heating installations; plates (registration -) of metal; plugs of metal; plugs of metal (wall -); ropes of metal; safety cashboxes; safety chains of metal; screw rings; screws of metal; steel pipes; strip (steel -); switches (railway -); tubbing of metal; tubes of metal; water-pipe valves of metal; water-pipes of metal; wire of common metal; wire of common metal alloys, except fuse wire; wire rope; all included in class 6.

ANNEXURE C: DETAILS OF LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Class / Registration No. / Expiry Date / Description of trademark
		Class 11 - Registration No.: 2017050526 - Expiry Date: 11.01.2027 Automobile lights; bath fittings; bath fittings (hot air -); bath installations; bath installations (sauna -); bath linings; bath plumbing fixtures; bath tubs; bath tubs for sitz baths; baths (heaters for -); baths (spa -) [vessels]; electric lamps; fans (electric -) for personal use; flashlights [torches]; gas lighters; headlights for automobiles; lamp casings; lamp chimneys; lamp glasses; lamp globes; lamp mantles; lamp reflectors; lamp shades; lamps; lamps (burners for -); lamps for directional signals of automobiles; lamps (globes for -); lanterns for lighting; light bulbs; light bulbs, electric; light bulbs for directional signals for vehicles; light diffusers; light-emitting diodes [led] lighting apparatus; lighters; lighting apparatus and installations; lighting apparatus for vehicles; lighting installations for air vehicles; lights (diving -); lights, electric, for christmas trees; lights for automobiles; lights for vehicles; sockets for electric lights; taps [cocks, spigots] [faucets (am.)] for pipes; taps [faucets]; torches for lighting; torches (pocket -), electric; tubes (discharge -), electric, for lighting; tubes (luminous -) for lighting; ultraviolet ray lamps, not for medical purposes; vehicle headlights; vehicles (lights for -); water closets; water conduits installations; water distribution installations; water filtering apparatus; water flushing installations; water-pipes for sanitary installations; all included in class 11.
5.		Class 35 - Registration No.: 2014006159 - Expiry Date: 03.06.2024 Retail services; discount services (retail, wholesale or sales promotion services); management of a retail enterprise for others; retail hardware store; all included in class 35. Class 21 - Registration No.: 2014006160 - Expiry Date: 03.06.2024 Baskets, for household use; brushes for household purposes; containers for storage purposes (household or kitchen use); cutting (chopping) boards for household use; gloves for household purposes; household containers; household gloves; household rubbish containers (bins); household utensils; paper holders for household use; plastic bowls (household containers); plastic household containers; kitchen utensils; all included in class 21. Class 9 - Registration No.: 2014006161 - Expiry Date: 03.06.2024 Batteries, electric; electric components; electric condensers; electric contact switches; electric control apparatus for lights; plug sockets (electric); plugs (electric); plugs for electric connection leads; starters for electric lamps; darkroom lights; all included in class 9.

ANNEXURE C: DETAILS OF LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Class / Registration No. / Expiry Date / Description of trademark
		Class 8 - Registration No.: 2014006162 - Expiry Date: 03.06.2024 Adhesive spreaders (hand tools); adjustable screwdrivers (hand tools); adjustable spanners (hand tools); adjustable wrenches (hand tools); adzes (tools); agricultural tools (hand operated); atomisers (hand-operated tools) for spraying insecticides; auger bits for use with hand-operated tools; bolt cutters (hand-operated tools); box wrenches (hand tools); broaches (tools for hand-operated tools); centre punches (hand tools); cleaning tools (other than household instruments); cutters (hand operated tools); cutting discs (hand operated tools); cutting tools (hand tools); devices (handoperated) for sharpening tools; disposable blades for use with hand-operated tools; fastener setting tools (hand-operated tools); files (tools); floats (hand tools); forks (hand tools); fruit pickers (hand tools); garden tools (hand-operated); hammers (hand tools); hand drills (hand tools); impact drills (hand-operated tools); knife sharpeners (hand operated tools); non-electric gardening tools; packaging tools (hand operated); punches (hand tools); saws (hand tools); scrapers (hand tools); sockets (parts for hand operated tools); all included in class 8.
6.	MR DIY Premium	Class 35 - Registration No.: 2016059469 - Expiry Date: 24.05.2026 Wholesale and retail services connected with the sale of hardware, electronic appliances, electronic apparatus and instruments, household products, household apparatus, household utensils, stationery, car accessories, gardening articles, items for do-it-yourself purposes, bags, sports articles, sports goods, toys, shoes, slippers, clocks, fashion accessories and gift items; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase hardware, electronic appliances, electronic apparatus and instruments, household products, household apparatus, household utensils, stationery, car accessories, gardening articles, items for do-it-yourself purposes, bags, sports articles, sports goods, toys, shoes, slippers, clocks, fashion accessories and gift items; discount services (retail, wholesale or sales promotion services); management of a retail enterprise for others; all included in class 35.
7.	MR. TOY Always Low Prices, Always Fun.	Class 35 - Registration No.: N/A - Expiry Date: N/A – Application Number: TM2019008421 (Pending) Retail store services and online retail store services; retail department store services; on-line retail department store services; retail store services and online retail store services relating to the purchase and retailing of products for babies, infants, toddlers, and children; advisory services relating to the purchase and retailing of products for babies, infants, toddlers, and children; gift registry services; all included in class 35.

ANNEXURE C: DETAILS OF LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Class / Registration No. / Expiry Date / Description of trademark
8.	MR DIY Premium	Class 11 – Registration No: N/A – Expiry Date: N/A – Application Number: TM2019034831 (Pending) Automobile lights; bath fittings; bath fittings (hot air -); bath installations; bath installations (sauna -); bath linings; bath plumbing fixtures; bath tubs; bath tubs for sitz baths; baths (heaters for -); baths (spa -) [vessels]; electric lamps; fans (electric -) for personal use; flashlights [torches]; gas lighters; headlights for automobiles; lamp casings; lamp chimneys; lamp glasses; lamp globes; lamp mantles; lamp reflectors; lamp shades; lamps; lamps (burners for -); lamps for directional signals of automobiles; lamps (globes for -); lanterns for lighting; light bulbs; light bulbs, electric; light bulbs for directional signals for vehicles; light diffusers; light-emitting diodes [led] lighting apparatus; lighters; lighting apparatus and installations; lighting apparatus for vehicles; lighting installations for air vehicles; lights (diving -); lights, electric, for Christmas trees; lights for automobiles; lights for vehicles; sockets for electric lights; taps [cocks, spigots] [faucets (am.)] for pipes; taps [faucets]; torches for lighting; torches (pocket -), electric; tubes (discharge -), electric, for lighting; tubes (luminous -) for lighting; ultraviolet ray lamps, not for medical purposes; vehicle headlights; vehicles (lights for -); water closets; water conduits installations; water distribution installations; water filtering apparatus; water flushing installations; water-pipes for sanitary installations; all included in Class 11. Class 7 – Registration No: N/A – Expiry Date: N/A – Application Number: TM2019044458 (Pending) Cutters [machines]; cutting machines; drilling machines; drives (pedal -) for sewing machines; driving chains other than for land vehicles; driving motors other than for land vehicles; electric hand drills; electric hammers; electric welding apparatus; embossing machines; finishing machines; fruit pressers, electric, for household purposes; galvanizing machines; grinders/crushers, electric, for household purposes; grinding machines; guns (glue -), electric; guns (spray -) for paint; guns [tools using explosives]; hair clipping machines for animals; handling apparatus for loading and unloading; handling machines, automatic [manipulators]; kitchen machines, electric; knitting machines; knives, electric; knives for mowing machines; lubricating pumps; machine tools; milling machines; mowing and reaping machines; mud catchers and collectors [machines]; pneumatic hammers; pneumatic transporters; pneumatic tube conveyors; polishing (machines and apparatus for -) [electric]; rams [machines]; reapers; riveting machines; saw benches [parts of machines]; saw blades [parts of machines]; saws [machines]; scissors, electric; sealing joints [parts of engines]; sealing machines for industrial purposes; sealing plastics (electrical apparatus for -) [packaging]; spraying machines; straw [chaff] cutters; swaging machines; taps [parts of machines, engines or motors]; tilt hammers; hand-held tools, other than hand-operated; tools (holding devices for machine -); tools [parts of machines]; torque converters other than for land vehicles; transmission chains other than for land vehicles; transmission for machines; trimming machines; vacuum cleaner attachments for disseminating perfumes and disinfectants; vacuum cleaner bags; vacuum cleaner hoses; vacuum cleaners; vacuum pumps [machines]; washing machines; washing machines (coin-operated); washing machines [laundry]; wax-polishing (machines and apparatus -), electric; weeding machines; welding apparatus (electric -); welding apparatus (electric arc-); welding apparatus, gas-operated; welding machines; welding machines, electric; electric blender; all included in Class 7.

ANNEXURE C: DETAILS OF LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Class / Registration No. / Expiry Date / Description of trademark
		Class 8 – Registration No: N/A – Expiry Date: N/A – Application Number: TM2019044466 (Pending) Abrading instruments [hand instruments]; agricultural implements, hand-operated; atomizers (insecticide -) [hand tools]; awls; axes; bayonets; blades for planes; blades [hand tools]; blades [weapons]; border shears; bow saws; breast drills; can openers, non-electric; carpenters' augers; cattle marking tools; choppers [knives]; clamps for carpenters or coopers; cleavers; cuticle nippers; cuticle tweezers; cutlery; cutter bars; cutters; cutters (pizza -), non-electric; cutting bars; cutting tools [hand tools]; drill holders [hand tools]; drills; egg slicers, non-electric; fish tapes [hand tools]; fishing (harpoons for-); flat irons; fleshing knives [hand tools]; garden tools, hand-operated; gimlets [hand tools]; glazing irons; gouges [hand tools]; grafting tools [hand tools]; graving tools [hand tools]; grinding wheels (emery -); guns [hand tools]; guns, hand-operated, for the extrusion of mastics; hackles [hand tools]; hainault scythes; hair clippers for animals [hand instruments]; hair clippers for personal use, electric and non-electric; hair curling (hand implements for -); hair-removing tweezers; hammers [hand tools]; hand drills [hand tools]; hand pumps; hand tools, hand-operated; jig-saws; knife steels; knives; mallets [hand instruments]; manicure sets; manicure sets, electric; masons' hammers; milling cutters [hand tools]; mincing knives [hand tools]; mitre [miter (am.)] boxes [hand tools]; nail buffers, electric or non-electric; nail clippers, electric or non-electric; nail drawers [hand tools]; nail extractors; nail files; nail files, electric; nail nippers; nail punches; pedicure sets; pliers; punch pliers [hand tools]; punch rings [knuckle dusters]; punches [hand tools]; rakes [hand tools]; rakes (sand trap -); rammers (earth -) [hand tools]; rammers [hand tools]; rams [hand tools]; rasps [hand tools]; ratchets [hand tools]; razor blades; razor cases; razor strops; razors, electric or non-electric; riveters [hand tools]; riveting hammers [hand tools]; saw blades [parts of hand tools]; saw holders; saws [hand tools]; scissors; scrapers [hand tools]; scraping tools [hand tools]; screw stocks [hand tools]; screw taps (extension pieces for braces for -); screwdrivers; screw-thread cutters [hand tools]; scythe rings; scythe stones; scythes; secateurs; sharpening instruments; sharpening steels; sharpening stones; sharpening wheels [hand tools]; shearers [hand instruments]; shears; shovels [hand tools]; sickles; side arms, other than firearms; slicers (cheese -), non-electric; spades [hand tools]; spanners [hand tools]; spatulas [hand tools]; spoons; sprayers (insecticide -) [hand tools]; stainless steel table forks, spoons and knives; stone hammers; tap wrenches; taps [hand tools]; tin openers, non-electric; tongs; tool belts [holders]; tree pruners; trowels [gardening]; tube cutters [hand tools]; tube cutting instruments; tweezers; vegetable choppers; vegetable knives; vegetable shredders; weeding forks [hand tools]; wick trimmers [scissors]; wire stretchers [hand tools]; wire strippers [hand tools]; wrenches [hand tools]; electric iron; electric hair clipper; electric hair straightener; electric shaver; electric steam iron; all included in Class 8.

ANNEXURE C: DETAILS OF LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark	Class / Registration No. / Expiry Date / Description of trademark
		Class 9 – Registration No: N/A – Expiry Date: N/A – Application Number: TM2019044471 (Pending) Accounting machines; accumulator jars; accumulators, electric; accumulators, electric, for vehicles; alarm bells, electric; alarms; alarms (fire -); anti-theft warning apparatus; asbestos gloves for protection against accidents; batteries, electric; batteries, electric, for vehicles; batteries for lighting; battery boxes; battery chargers; battery jars; bells (signal -); bells [warning devices]; binoculars; cables (coaxial -); cables, electric; cables (fibre [fiber (am.)] optic -); cables (junction sleeves for electric -); cameras (cinematographic -); cameras [photography]; detectors; detectors (metal -) for industrial or military purposes; discs (compact -) [audio-video]; discs (compact -) [read-only memory]; discs (optical -); electric door bells; electric installations for the remote control of industrial operations; flashing lights [luminous signals]; flashlights [photography]; fluorescent screens; galvanic batteries; galvanic cells; gloves for divers; gloves for protection against accidents; goggles for sports; holders adapted for mobile phones; lanterns (optical -); lasers, not for medical purposes; light dimmers [regulators], electric; traffic light apparatus [signalling devices]; light-emitting diodes [led]; light-emitting electronic pointers; lighting ballasts; lightning arresters; lightning conductors [rods]; locks, electric; magic lanterns; measuring devices, electric; measuring glassware; measuring instruments; measuring spoons; microphones; mouse [data processing equipment]; mouse pads; optical lamps; pens (electronic-)[visual display units]; plugs, sockets and other contacts (electric connections); remote control of signals (electro-dynamic apparatus for the -); scales; scales (lever-) [steelyards]; smoke detectors; solar batteries; temperature indicators; theft prevention installations, electric; time clocks [time recording devices]; time switches, automatic; travel adaptors for electric plugs; usb flash drives; weighing scales; wire connectors [electricity]; wires, electric; wires of metal alloys [fuse wire]; booster cables; battery jump starters; plugs [electric]; plug adaptors / adaptor [electric]; socket outlets (electric-); electric sockets; power bank; all included in Class 9.
9.	MR.D.I.Y.	Class 11 – Registration No: N/A – Expiry Date: N/A – Application Number: TM2019034832 (Pending) Automobile lights; bath fittings; bath fittings (hot air -); bath installations; bath installations (sauna -); bath linings; bath plumbing fixtures; bath tubs; bath tubs for sitz baths; baths (heaters for -); baths (spa -) [vessels]; electric lamps; fans (electric -) for personal use; flashlights [torches]; gas lighters; headlights for automobiles; lamp casings; lamp chimneys; lamp glasses; lamp globes; lamp mantles; lamp reflectors; lamp shades; lamps; lamps (burners for -); lamps for directional signals of automobiles; lamps (globes for -); lanterns for lighting; light bulbs; light bulbs, electric; light bulbs for directional signals for vehicles; light diffusers; light-emitting diodes [led] lighting apparatus; lighters; lighting apparatus and installations; lighting apparatus for vehicles; lighting installations for air vehicles; lights (diving -); lights, electric, for Christmas trees; lights for automobiles; lights for vehicles; sockets for electric lights; taps [cocks, spigots] [faucets (am.)] for pipes; taps [faucets]; torches for lighting; torches (pocket -), electric; tubes (discharge -), electric, for lighting; tubes (luminous -) for lighting; ultraviolet ray lamps, not for medical purposes; vehicle headlights; vehicles (lights for -); water closets; water conduits installations; water distribution installations; water filtering apparatus; water flushing installations; water-pipes for sanitary installations; all included in Class 11.

ANNEXURE C: DETAILS OF LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS
(Cont'd)

No.	Trademark	Class / Registration No. / Expiry Date / Description of trademark
10.	MR.DOLLAR	Class 35 – Registration No: N/A – Expiry Date: N/A – Application Number: TM2019044464 (Pending) Wholesale and retail services connected with the sale of hardware, electronic appliances, electronic apparatus and instruments, household products, household apparatus, household utensils, stationery, car accessories, gardening articles, items for do-it-yourself purposes, bags, sports articles, sports goods, toys, shoes, slippers, clocks, fashion accessories and gift items; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase hardware, electronic appliances, electronic apparatus and instruments, household products, household apparatus, household utensils, stationery, car accessories, gardening articles, items for do-it-yourself purposes, bags, sports articles, sports goods, toys, shoes, slippers, clocks, fashion accessories and gift items; all included in Class 35.
11.	Ms-D.I.Y. Be Your Own Queen	Class 35 – Registration No: N/A – Expiry Date: N/A – Application Number: TM2019044462 (Pending) Wholesale and retail services connected with the sale of hardware, electronic appliances, electronic apparatus and instruments, household products, household apparatus, household utensils, stationery, car accessories, gardening articles, items for do-it-yourself purposes, bags, sports articles, sports goods, toys, shoes, slippers, clocks, fashion accessories and gift items; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase hardware, electronic appliances, electronic apparatus and instruments, household products, household apparatus, household utensils, stationery, car accessories, gardening articles, items for do-it-yourself purposes, bags, sports articles, sports goods, toys, shoes, slippers, clocks, fashion accessories and gift items; all included in Class 35.

ANNEXURE C: DETAILS OF LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

The Bruneian trademark licences that we are materially dependent on are as follows:

No.	Trademark / Registration No. / Expiry Date	Class/Description of trademark
1.		Class 35 – Registration No.: 45974 - Expiry Date: 10.10.2024 Wholesale and retail services connected with the sale of hardware, electronic appliances, electronic apparatus and instruments, household products, household apparatus, household utensils, stationery, car accessories, gardening articles, items for do-it-yourself purposes, bags, sports articles, sports goods, toys, shoes, slippers, clocks, fashion accessories and gift items; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase hardware, electronic appliances, electronic apparatus and instruments, household products, household apparatus, household utensils, stationery, car accessories, gardening articles, items for do-it-yourself purposes, bags, sports articles, sports goods, toys, shoes, slippers, clocks, fashion accessories and gift items.
2.		Class 35 – Registration No.: 45972 - Expiry Date: 10.10.2024 Wholesale and retail services connected with the sale of hardware, electronic appliances, electronic apparatus and instruments, household products, household apparatus, household utensils, stationery, car accessories, gardening articles, items for do-it-yourself purposes, bags, sports articles, sports goods, toys, shoes, slippers, clocks, fashion accessories and gift items; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase hardware, electronic appliances, electronic apparatus and instruments, household products, household apparatus, household utensils, stationery, car accessories, gardening articles, items for do-it-yourself purposes, bags, sports articles, sports goods, toys, shoes, slippers, clocks, fashion accessories and gift items.
3.		Class 35 - Registration No.: N/A - Expiry Date: N/A – Application Number: 50742 (Pending) Retail store services and online retail store services; retail department store services; on-line retail department store services; retail store services and online retail store services relating to the purchase and retailing of products for babies, infants, toddlers, and children; advisory services relating to the purchase and retailing of products for babies, infants, toddlers, and children; gift registry services.

ANNEXURE C: DETAILS OF LICENCES, PATENTS, TRADEMARKS, BRAND NAMES, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS *(Cont'd)*

No.	Trademark / Registration No. / Expiry Date	Class/Description of trademark
4.	MR.DOLLAR	Class 35 - Registration No.: N/A - Expiry Date: N/A – Application Number: 51085 (Pending) Wholesale and retail services connected with the sale of hardware, electronic appliances, electronic apparatus and instruments, household products, household apparatus, household utensils, stationery, car accessories, gardening articles, items for do-it-yourself purposes, bags, sports articles, sports goods, toys, shoes, slippers, clocks, fashion accessories and gift items; the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and purchase hardware, electronic appliances, electronic apparatus and instruments, household products, household apparatus, household utensils, stationery, car accessories, gardening articles, items for do-it-yourself purposes, bags, sports articles, sports goods, toys, shoes, slippers, clocks, fashion accessories and gift items.

Furthermore, we have registered the marks of some of our suppliers with the Intellectual Property Corporation of Malaysia. As at the LPD, we have registrations for 31 such marks, of which three of such marks are being assigned to the respective suppliers. In addition, the applications for registrations of two marks are still pending.

DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE (ACCOMPANYING THE ELECTRONIC PROSPECTUS)

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our prospectus dated 6 October 2020 ("Prospectus").

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

1. OPENING AND CLOSING OF APPLICATION

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 6 OCTOBER 2020.

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 14 OCTOBER 2020.

In the event there is any change to the dates and times stated above, we will advertise the notice of changes in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

Late applications will not be accepted.

2. METHODS OF APPLICATIONS

2.1 Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the application will succeed.

Types of Application and category of investors		Application Method
Applications by Eligible Persons		Pink Application Form only
Applications by the Malaysian Public:		
(a)	Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b)	Non-Individuals	White Application Form only

2.2 Placement

Types of Application		Application Method
Applications by:		
(a)	Malaysian institutional and selected investors (other than Bumiputera investors approved by the MITI)	The Joint Bookrunners will contact the selected investors directly. They should follow the Joint Bookrunner's instructions.
(b)	Bumiputera investors approved by the MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

3. ELIGIBILITY

3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in the list of ADAs accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("CMSA") AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM 1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(i) you must be one of the following:

- (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
- (b) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
- (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(ii) you must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

(iii) you must submit an Application by using only one of the following methods:

- (a) White Application Form; or
- (b) Electronic Share Application; or
- (c) Internet Share Application.

3.3 Application by Eligible Persons

The Eligible Persons (including any entities, wherever established) will be provided with Pink Application Forms and letters from us detailing their respective allocation. The applicants must follow the notes and instructions in the said document and where relevant, in our Prospectus.

4. PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The Malaysian Public must follow the following procedures in making their applications through the White Application Form.

(a) Obtain the relevant Application Form together with the Official "A" and "B" envelopes and our Prospectus.

The **White** Application Forms together with our Prospectus, can be obtained subject to availability from CIMB, Maybank IB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia or Malaysian Investment Banking Association, the Issuing House and our Company.

(b) In accordance with Section 232(2) of the CMSA, the Application Forms are accompanied by our Prospectus. You are advised to read and understand our Prospectus before making your Application.

(c) Complete the relevant Application Form legibly and **STRICTLY** in accordance with the notes and instructions printed on it and in our Prospectus, including:

(i) Ensuring that your personal particulars submitted in your Application are identical with the records maintained by Bursa Depository. You are required to inform Bursa Depository promptly of any changes to your personal particulars as the notification letter of successful allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.

(ii) Stating your CDS account number in the space provided in the Application Form. Invalid or nominee or third party CDS accounts will **not** be accepted.

(iii) Stating the details of your payment in the appropriate boxes provided in the Application Form.

(iv) Stating the number of shares applied. Applications must be for at least 100 IPO Shares or multiples of 100 IPO Shares.

(d) Prepare the appropriate form of payment in RM for the FULL amount payable based on the IPO Price of RM1.60 for each IPO Share.

Payment must be made out in favour of **"TIIH SHARE ISSUE ACCOUNT NO. 696"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Only Banker's Draft or Cashier's Order drawn on a bank in Kuala Lumpur, Money or Postal Orders (Sabah and Sarawak only) and Guaranteed Giro Order from Bank Simpanan Nasional Malaysia Berhad will be accepted.

We will not accept Applications with excess or insufficient remittances or inappropriate forms of payment. Remittances must be completed in the appropriate boxes provided in the White Application Forms.

(e) Insert the White Application Form together with payment and a legible photocopy of your identification document (NRIC or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable)) into the Official "A" envelope and seal it. You must write your name and address on the outside of the Official "A" and "B" envelopes.

Affix RM1.50 stamp on the Official "A" envelope and insert the Official "A" envelope into the Official "B" envelope.

The name and address written must be identical to your name and address as in your NRIC or official valid temporary identity documents issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) or certificate of incorporation or the certificate of change of name for corporate or institutional applicant (where applicable).

(f) Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods: -

(i) despatch by **ORDINARY POST** in the official envelopes provided to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
(Company No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

(ii) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at their Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

so as to arrive not later than 5.00 p.m. on 14 October 2020 or by such other time and date as our Directors and the Joint Underwriters may, in their absolute discretion, mutually decide as the date or time for closing. We will not accept late Applications.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

5. APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

5.1 Participating Financial Institutions

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Applications.

The following processing fee for each Electronic Share Application will be charged by the respective Participating Financial Institutions (unless waived) as follows:

Participating Financial Institutions	**Charges**
Affin Bank Berhad	Free
Alliance Bank Malaysia Berhad	RM1.00
AmBank (M) Berhad	RM1.00
CIMB Bank Berhad	RM2.50
HSBC Bank Malaysia Berhad	RM2.50
Malayan Banking Berhad	RM1.00
Public Bank Berhad	RM2.00
RHB Bank Berhad	RM2.50

Participating Financial Institutions	Charges
Standard Chartered Bank Malaysia Berhad (at selected branches only)	RM2.50

Please note that these processing fees may be varied or waived from time to time at the discretion of the respective Participating Financial Institutions. Please contact the relevant Participating Financial Institutions for further enquiries.

5.2 Procedures for Electronic Share Application

The procedures for Electronic Share Application at ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions

PLEASE READ THE TERMS OF OUR PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR ELECTRONIC SHARE APPLICATIONS SET OUT BELOW AND AT THE RESPECTIVE ATM CAREFULLY PRIOR TO MAKING AN ELECTRONIC SHARE APPLICATION.

If you encounter any problems in your Application, you may refer to the respective Participating Financial Institutions.

You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for our IPO Shares at an ATM belonging to other Participating Financial Institutions;

You are to submit at least the following information through the ATM, where the instructions on the ATM screen require you to do so:-

- Personal Identification Number ("**PIN**");
- TIIH Share Issue Account No. 696;
- Your CDS account number;
- Number of IPO Shares applied for and the RM amount to be debited from the account; and
- Confirmation of several mandatory statements as set out in Section 5.3 below.

Upon the completion of your Electronic Share Application transaction at the ATM, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or the Issuing House. The Transaction Record is for your record and should not be submitted with any Application Form.

5.3 Terms and Conditions for Electronic Share Application

You must have a CDS account to be eligible to use the Electronic Share Application. Invalid, nominee or third party CDS accounts will not be accepted.

YOU MUST ENSURE THAT YOU USE YOUR OWN CDS ACCOUNT NUMBER WHEN MAKING AN ELECTRONIC SHARE APPLICATION. IF YOU OPERATE A JOINT ACCOUNT WITH ANY PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER YOUR OWN CDS ACCOUNT NUMBER WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR OWN NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE ABOVE.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:-

(i) The Electronic Share Application shall be made in relation to and subject to the terms of our Prospectus and our Company's Constitution.

(ii) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:-

(a) You are at least 18 years old as at the date of the application for our IPO Shares;

(b) You are a Malaysian citizen residing in Malaysia;

(c) You have read our Prospectus and understood and agreed with the terms and conditions of the Application;

(d) The Electronic Share Application is the only application that you are submitting for our IPO Shares offered to the Malaysian Public; and

(e) You consent to the disclosure by the Participating Financial Institution and Bursa Depository of information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the Issuing House and other relevant authorities.

Your Application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, it is considered that you have confirmed each of the above statements as well as given consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the Financial Services Act, 2013 ("**FSA**") and Section 45 of the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") to the disclosure by the relevant Participating Financial Institutions or Bursa Depository, as the case may be, of any of your particulars to the Issuing House or any relevant authorities.

(iii) You confirm that you are not applying for our IPO Shares offered to the Malaysian Public as a nominee of any other person and that the Electronic Share Application that you make is made by you as the beneficial owner. You shall only make one Electronic Share Application and shall not make any other application for our IPO Shares offered to the Malaysian Public.

(iv) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time the Electronic Share Application is made, failing which the Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made, will be rejected.

(v) You agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated in the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate a lesser number of such IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated keys or buttons on the ATM keyboard) of the number of IPO Shares applied for shall signify, and shall be treated as, your acceptance of the number of IPO Shares that may be allotted or allocated to you and your acceptance to be bound by our Constitution.

(vi) the Issuing House, on the authority of our Board, reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in whole or in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating our IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.

(vii) You request and authorise us:-

(a) to credit our IPO Shares allotted or allocated to you into your CDS account; and

(b) to issue share certificate(s) representing such IPO Shares or jumbo certificates which represent, amongst others, such IPO Shares, allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.

(viii) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond our control or the control of the Issuing House, Bursa Depository or the Participating Financial Institution, and irrevocably agree that if:-

(a) our Company or the Issuing House does not receive your Electronic Share Application; or

(b) the data relating to your Electronic Share Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company or the Issuing House,

you shall be deemed not to have made an Electronic Share Application and shall not make any claim whatsoever against our Company, the Issuing House or the Participating Financial Institution for our IPO Shares applied for or for any compensation, loss or damage.

(ix) All of your particulars in the records of the relevant Participating Financial Institution at the time of making the Electronic Share Application shall be deemed to be true and correct, and our Company, the Issuing House and the relevant Participating Financial Institution shall be entitled to rely on their accuracy.

(x) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Share Application will be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allotment will be sent to your registered or correspondence address last maintained with Bursa Depository.

(xi) By making and completing an Electronic Share Application, you agree that:-

(a) in consideration of us agreeing to allow and accept the application for our IPO Shares through the Electronic Share Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Share Application is irrevocable;

(b) we, the Participating Financial Institutions, Bursa Depository and the Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our or the control of any of them;

(c) notwithstanding the receipt of any payment by or on behalf of our Company, the acceptance of your offer to subscribe for and purchase our IPO Shares for which the Electronic Share Application has been successfully completed shall be constituted by the issue of notices of allotment in respect of the said IPO Shares;

(d) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounce any instrument of transfer and other documents required for the issue or transfer of our IPO Shares allotted or allocated to you; and

(e) you agree that in relation to any legal action, proceedings or disputes arising out of or in relation to the contract between the parties and / or the Electronic Share Application and / or any terms of our Prospectus, all rights, obligations and liabilities of the parties shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies of Malaysia and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

(xii) the Issuing House, acting on the authority of our Board reserves the right to reject Applications which do not conform to these instructions.

6. APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

6.1 Internet Participating Financial Institutions

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

The following processing fee for each Internet Share Application will be charged by the respective Internet Participating Financial Institutions (unless waived) as follows:

YOU ARE ADVISED NOT TO APPLY FOR OUR IPO SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

Internet Participating Financial Instituition	Website address	Fees charged
Affin Bank Berhad	www.affinOnline.com	Free
Alliance Bank Malaysia Berhad	www.allianceonline.com.my	RM1.00
CGS-CIMB Securities Sdn Bhd	www.eipocimb.com	RM2.00 for payment through CIMB Bank Berhad or Malayan Banking Berhad
CIMB Bank Berhad	www.cimbclicks.com.my	RM2.00 for applicants with CDS Accounts held with CGS-CIMB Securities Sdn Bhd and RM2.50 for applicants with CDS Accounts with other ADAs
Malayan Banking Berhad	www.maybank2u.com.my	RM1.00
RHB Bank Berhad	www.rhbgroup.com	RM2.50

Internet Participating Financial Instituition	Website address	Fees charged
Public Bank Berhad	www.pbebank.com	RM2.00

Please note that these fees may be varied or waived from time to time at the discretion of the respective Internet Participating Financial Institutions. Please contact the relevant Internet Participating Financial Institutions for further enquiries.

PLEASE READ THE TERMS OF OUR PROSPECTUS, THE TERMS AND CONDITIONS AND PROCEDURES FOR INTERNET SHARE APPLICATIONS SET OUT BELOW AND AT THE INTERNET FINANCIAL SERVICES WEBSITE OF THE RESPECTIVE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.

If you encounter any problems in your Application, you may refer to the respective Internet Participating Financial Institutions.

6.2 Terms and Conditions for Internet Share Application

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

An Internet Share Application shall be made on and subject to the following terms and conditions:

(i) You can make an Internet Share Application if you fulfill all of the following:

(a) You are an individual with a CDS account and in the case of a joint account, an individual CDS account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS account registered in the joint account holder's name;

(b) You have an existing account with access to Internet financial services facilities with an Internet Participating Financial Institution. You must have your user identification ("**User ID**") and Personal Identification Numbers ("**PIN**")/password for the relevant Internet financial services facilities; and

(c) You are a Malaysian citizen and have a mailing address in Malaysia.

You are advised to note that a User ID and PIN/password issued by one of the Internet Participating Financial Institutions cannot be used to apply for our IPO Shares at Internet financial service websites of other Internet Participating Financial Institutions.

(ii) An Internet Share Application shall be made on and subject to the terms of our Prospectus and our Company's Constitution.

(iii) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the Internet financial services website of the Internet Participating Financial Institution) and to undertake that the following information given are true and correct:

(a) You are at least 18 years old as at the date of the application for our IPO Shares;

(b) You are a Malaysian citizen residing in Malaysia;

(c) You have, prior to making your Internet Share Application, received and/or have had access to a printed/electronic copy of our Prospectus, the contents of which you have fully read and understood;

(d) You agree to all the terms and conditions of the Internet Share Application as set out in our Prospectus and have carefully considered the risk factors as well as all other information and statements set out in our Prospectus, before making your Internet Share Application;

(e) Your Internet Share Application is the only application that you are submitting for our IPO Shares offered to the Malaysian Public;

(f) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for our IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;

(g) You give express consent in accordance with the relevant laws of Malaysia (including but not limited to Sections 133 and 134 of the FSA and Section 45 of SICDA) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of your information, your Internet Share Application or your account with the Internet Participating Financial Institution, to our Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;

(h) You are not applying for our IPO Shares as a nominee of any other person and your Internet Share Application is made in your own name, as beneficial owner and subject to the risks referred to in our Prospectus;

(i) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company, Bursa Securities or other relevant parties in connection with our IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with our IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.

(iv) Your Application will not be successfully completed and cannot be recorded as a completed application unless you have paid for our IPO Shares through the website of the Authorised Financial Institution and completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen.

For the purposes of our Prospectus, “Confirmation Screen” shall mean the screen which appears or is displayed on the Internet financial services website, which confirms that your Internet Share Application has been completed and states the details of your Internet Share Application, including the number of IPO Shares applied for which you can print out for your records.

Upon the display of the Confirmation Screen, you will be deemed to have confirmed the truth of the statements set out in Section 6.2(iii) above. The Confirmation Screen is only a record of the completed transaction with an Internet Participating Financial Institution and not a record of the receipt of the Internet Share Application or any data relating to such an Internet Share Application by our Company or the Issuing House. The Confirmation Screen is for your record and should not be submitted with any Application Form.

(v) You must have sufficient funds in your account with the Internet Participating Financial Institution or the Authorised Financial Institution at the time of making your Internet Share Application, to cover and pay for our IPO Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which your Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not conform strictly to the instructions set out in our Prospectus or any instructions displayed on the screens of the Internet financial services website through which the Internet Share Application is made shall be rejected.

(vi) You irrevocably agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Internet Share Application. In the event that we decide to allot or allocate lesser number of such Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final.

In the course of completing your Internet Share Application on the website of the Internet Participating Financial Institution, your confirmation of the number of IPO Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:

(a) Your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and

(b) Your agreement to be bound by the Constitution of our Company.

(vii) You are fully aware that multiple or suspected multiple Internet Share Applications for our IPO Shares will be rejected. **A PERSON WHO SUBMITS MULTIPLE INTERNET SHARE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA**. Our Company reserves the right to reject any Internet Share Application or accept any Internet Share Application in part only without the need to give any reason. Due consideration will be given to the desirability of allotting or allocating the Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares.

(viii) An Internet Share Application is deemed to be received only upon its completion, which is when the Confirmation Screen is displayed on the Internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for reference and record purposes. Late Internet Share Applications will not be accepted.

(ix) You acknowledge that your Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, and other events beyond the control of the Internet Participating Financial Institution, the Authorised Financial Institution, the Issuing House and our Company and irrevocably agree that if:

(a) our Company, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or payment; and

(b) any data relating to your Internet Share Application or the tape or any other devices containing such data and/or payment is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever,

you will be deemed not to have made an Internet Share Application and you will not make any claim whatsoever against our Company, the Issuing House, the Internet Participating Financial Institution and/or the Authorised Financial Institution in relation to our IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.

(x) All of your particulars in the records of the relevant Internet Participating Financial Institution at the time of your Internet Share Application shall be deemed to be true and correct, and we, the Issuing House, the Internet Participating Financial Institutions and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

You must ensure that your personal particulars as recorded by both Bursa Depository and the Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Share Application will be rejected. The notification letter on successful allotment will be sent to your last address maintained with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institution and Bursa Depository of any changes in your personal particulars that may occur from time to time.

7. AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

Your Application will be selected in a manner to be determined by our Board. Due consideration will be given to the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants with a view to establishing a liquid and adequate market for our Shares. The Issuing House, on the authority of our Board, reserves the right to:-

(i) reject the Applications which:-

(a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

(b) are illegible, incomplete or inaccurate; or

(c) are accompanied by an improperly drawn up, or improper form of, remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), by

(a) ordinary post through the self-addressed and stamped Official “A” envelope which you have provided to the Issuing House;

(b) crediting into your bank account for the purposes of cash dividend / distribution if you have provided such bank account information to Bursa Depository; or

(c) ordinary / registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

8. OVER / UNDER-SUBSCRIPTION

In the event of over-subscription for the Retail Offering, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The result of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House's website at https://tiih.online, within **one Market Day** after the balloting date.

As approved by Bursa Securities via its letter dated 28 June 2019, we need to have a minimum of 15.0% of our Company's issued Shares capital to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and / or Eligible Persons, subject to clawback and reallocation as set out in Section 4.2.4 of our Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by the Joint Underwriters based on the terms of the Retail Underwriting Agreement.

9. UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

9.1 For applications by way of Application Forms

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful applications) within ten Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the National Registration Identity Card or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).

(iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within ten Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

9.2 For applications by way of Electronic Share Application and Internet Share Application

(i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within two Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institution) within two Market Days after the receipt of confirmation from the Issuing House.

(ii) You may check your account on the fifth Market Day from the balloting date.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) not later than ten Market Days from the date of the final ballot. For Applications that are held in reserve and are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within two Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within two Market Days after the receipt of confirmation from the Issuing House.

10. SUCCESSFUL APPLICANTS

If you are successful in your Application:-

(i) Our IPO Shares allotted to you will be credited into your CDS account.

(ii) A notice of allotment will be despatched to you at your last address maintained with Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued / offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

11. ENQUIRIES

Enquiries in respect of the Applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at +603 2783 9299
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institutions and Authorised Financial Institutions

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House's website at https://tiih.online, within **one Market Day** after the balloting date.

You may also check the status of your Application at the above website, **five Market Days** after the balloting or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 below.

12. LIST OF ADAS

The list of ADAs and their respective addresses, telephone numbers and broker codes are as follows:

Name	Address and Telephone Number	Broker Code
KUALA LUMPUR		
AFFIN HWANG INVESTMENT BANK BHD	2nd Floor, Bangunan AHP No.2, Jalan Tun Mohd Fuad 3 Taman Tun Dr Ismail 60000 Kuala Lumpur Tel No.: 03-7710 6688	068-009
AFFIN HWANG INVESTMENT BANK BHD	Ground, Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2143 8668	068-018
AFFIN HWANG INVESTMENT BANK BHD	No. 38A & 40A Jalan Midah 1 Taman Midah Cheras 56000 Kuala Lumpur Tel No.: 03-9130 8803	068-021
ALLIANCE INVESTMENT BANK BHD	17th Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2604 3333	076-001
AMINVESTMENT BANK BERHAD	15th Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2708 2788	086-001

Name	Address and Telephone Number	Broker Code
BIMB SECURITIES SDN. BHD.	32nd Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2613 1600	024-001
CGS-CIMB SECURITIES SDN BHD	Principal Office Level 17 Menara CIMB Jalan Stesen Sentral 2 50470 Kuala Lumpur Tel No.: 03-2261 8888	065-001
CITIGROUP GLOBAL MARKETS MALAYSIA SDN. BHD.	Level 43, Menara Citibank 165 Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2383 3890	038-001
CLSA SECURITIES MALAYSIA SDN. BHD.	Bilik 20-01, Aras 20 Menara Dion2 7 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2056 7888	033-001
CREDIT SUISSE SECURITIES (MALAYSIA) SDN. BHD.	Suite 7.6, Level 7 Menara IMC8 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 2723 2020	036-001
FA SECURITIS SDN. BHD.	A-10-17 & A-10-1 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No.: 2288 1676	021-001
HONG LEONG INVESTMENT BANK BERHAD	Level 7, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No.: 03-2168 1168	066-001
HONG LEONG INVESTMENT BANK BERHAD	Mezzanine Floor & Level 3A No.12 Jalan Gelenggang 60000 Kuala Lumpur 50350 Kuala Lumpur Tel No.: 03-2691 0200	066-002
INTER-PACIFIC SECURITIES SDN. BHD.	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 03-2117 1888	054-001

Name	Address and Telephone Number	Broker Code
INTER-PACIFIC SECURITIES SDN. BHD.	Ground Floor, 7-0-8, Jalan 3/109F Danau Business Centre, Danau Desa 58100 Kuala Lumpur Tel No.: 03-7984 7796	054-003
INTER-PACIFIC SECURITIES SDN. BHD.	No.33-1 (First Floor) Jalan Radin Bagus 57000 Bandar baru Seri Petaling Kuala Lumpur Tel No.: 03-9056 2921	054-007
J.P.MORGAN SECURITIES (MALAYSIA) SDN. BHD.	Level 18, Integra Tower The Intermark 348 Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-2718 0500	035-001
JUPITER SECURITIES SDN. BHD.	Level 8, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN. BHD.	11th - 14th Floor, Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2171 0228	053-001
KENANGA INVESTMENT BANK BHD	Level 17 Kenanga Tower 237 Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-2172 2888	073-001
KENANGA INVESTMENT BANK BERHAD	M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4297 8806	073-001
KENANGA INVESTMENT BANK BERHAD	1st Floor West Wing ECM Libra Building 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2089 2888	073-001
M & A SECURITIES SDN. BHD.	Level 1-3, No. 45 & 47 The Boulevard, Bandar Mid Valley Lingkaran Syed Putra 59200 Kuala Lumpur Tel No.: 03-2282 1820	057-002

Name	Address and Telephone Number	Broker Code
M & A SECURITIES SDN. BHD.	22A-1 & 22A-2, Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200, Kuala Lumpur Tel No.: 03-7983 9890	057-004
MACQUARIE CAPITAL SECURITIES (MALAYSIA) SDN. BHD.	Aras 10, Menara Dion 27 Jalan Sultan Ismail 50250, Kuala Lumpur Tel. No.: 03-2059 8833	032-001
MALACCA SECURITIES SDN. BHD.	No. 76-1, Jalan Wangsa Maju Delima 6 Pusat Bandar Wangsa Maju (KLSC) 53300 Setapak, Kuala Lumpur Tel No.: 4144 2565	012-001
MALACCA SECURITIES SDN. BHD.	B_M_10, Block B Plaza Arkadia Jalan Intisari Perdana Desa Park City 52200 Kuala Lumpur Tel No.: 2733 9782	012-001
MALACCA SECURITIES SDN. BHD.	B01-A-13A Level 13A, Menara 2 No.3 Jalan Bangsar KL ECO City 59200 Kuala Lumpur Tel No.: 2201 2100	012-001
MAYBANK INVESTMENT BANK BERHAD	Level 5, Tower C Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No.: 03-2297 8888	098-001
MAYBANK INVESTMENT BANK BERHAD	27, 31-33 Floor Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel No.: 03-2059 1888	098-007
MERCURY SECURITIES SDN. BHD.	L-7-2, No.2 Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Tel No.: 03-6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BHD	9-12th Floor, Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2173 8888	026-001
NOMURA SECURITIES MALAYSIA SDN. BHD.	Suite 16.5, Level 16 Menara IMC, Letter Box 47 8 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No. 2027 6811	037-001

Name	Address and Telephone Number	Broker Code
PUBLIC INVESTMENT BANK BHD	27th Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No.: 03-2268 3000	051-001
RHB INVESTMENT BANK BHD	Level 1, Tower 3 RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-9280 2233	087-001
RHB INVESTMENT BANK BHD	Tingkat 12, 15, 20 & 21 Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2333 8333	087-018
RHB INVESTMENT BANK BHD	No. 62 & 64, Vista Magna Jalan Prima, Metro Prima 52100 Kepong Kuala Lumpur Tel No.: 03-6257 5869	087-028
RHB INVESTMENT BANK BHD	No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4280 4798	087-054
RHB INVESTMENT BANK BHD	Ground, 1st, 2nd & 3rd Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-9058 7222	087-058
TA SECURITIES HOLDINGS BHD	34th Floor, Menara TA One No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-2072 1277	058-003
UBS SECURITIES MALAYSIA SDN. BHD.	Level 7 Wisma Hong Leong 18, Jalan Perak 50450, Kuala Lumpur Tel No.: 03-2781 1100	031-001
UOB KAY HIAN SECURITIES (M) SDN. BHD.	N3, Plaza Damas 60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No.: 03-6205 6000	078-004
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Ground & 19th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2147 1888	078-010

Name	Address and Telephone Number	Broker Code
SELANGOR DARUL EHSAN		
AFFIN HWANG INVESTMENT BANK BHD	Suite B3A1, East Wing 3A, Wisma Consplant 2 No. 7, Jalan SS16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5635 6688	068-010
AFFIN HWANG INVESTMENT BANK BHD	2nd, 3rd & 4th floors, Wisma Meru No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9999	068-019
AFFIN HWANG INVESTMENT BANK BHD	Lot 229, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7729 8016	068-020
AFFIN HWANG INVESTMENT BANK BHD	No. 79-1 & 79-2 Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No.: 03- 3322 1999	068-023
AMINVESTMENT BANK BERHAD	4th Floor, Plaza Damansara Utama No 2, Jalan SS 21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7710 6613	086-001
CGS-CIMB SECURITIES SDN BHD	Level G & Level 1 Tropicana City Office Tower No.3 Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7717 3388	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor, 135 & 137 Jalan Sultan Abdul Samad 42700 Banting Selangor Darul Ehsan Tel No.: 03-3181 1337	065-001
CGS-CIMB SECURITIES SDN BHD	No. A-07-01 & A-07-02 Empire Office Tower Empire Subang Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5631 7934	065-001

Name	Address and Telephone Number	Broker Code
CGS-CIMB SECURITIES SDN BHD	2nf Floor (No. 26-2) Lorong Batu Nilam 4B Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No.: 03-3325 7105	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor (No. 11A) Jalan Kenari 1 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-5891 6852	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor, No.26A(F), 26A(M) & 26A(B), Jalan SJ6, Taman Selayang Jaya 68100 Batu Caves Selangor Darul Ehsan Tel No.: 03-5891 6852	065-001
JF APEX SECURITIES BHD	6th Floor, Menara Apex Off Jalan Semenyih, Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 1118	079-001
JF APEX SECURITIES BHD	16th Floor Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118	079-002
KENANGA INVESTMENT BANK BHD	Level 1, East Wing Wisma Consplant 2 No.7 Jalan SS16/1 47610 Subang Jaya Selangor Darul Ehsan Tel No.: 03-8024 1773	073-001
KENANGA INVESTMENT BANK BHD	Lot 240, 2nd Floor, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7725 9095	073-001
KENANGA INVESTMENT BANK BHD	No. 35, (Ground, 1st & 2nd Floor) Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3348 8080	073-001

Name	Address and Telephone Number	Broker Code
MALACCA SECURITIES SDN. BHD.	No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5636 1533	012-001
MALACCA SECURITIES SDN. BHD.	No. 39-2, Jalan Temenggung 21/9 Seksyen 9 43200 Mahkota Cheras Selangor Darul Ehsan Tel No.: 9011 5913	012-001
MAYBANK INVESTMENT BANK BERHAD	Wisma Bently Music Level 1, No. 3, Jalan PJU 7/2 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7718 8888	098-004
MAYBANK INVESTMENT BANK BERHAD	Suite 8.02, Level 8, Menara Trend Intan Millennium Square No. 68 Jalan Batai Laut 4 Taman Intan 41300 Klang Selangor Darul Ehsan Tel No.: 03-3050 8888	098-003
PM SECURITIES SDN. BHD.	1st Floor, 157-A Jalan Kenari 23A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 0773	064-003
PM SECURITIES SDN. BHD.	1st & 2nd Floor No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3341 5300	064-007
RHB INVESTMENT BANK BHD	24, 24M, 24A, 26M, 28M, 28A & 30A Jalan SS2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7873 6366	087-011
RHB INVESTMENT BANK BHD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 3378	087-045
RHB INVESTMENT BANK BHD	1st Floor, 10 & 11 Jalan Maxwell 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 8916	087-047

Name	Address and Telephone Number	Broker Code
RHB INVESTMENT BANK BHD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1 ½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9180	087-048
RHB INVESTMENT BANK BHD	Unit 1B, 2B & 3B USJ 10/1J 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8022 1888	087-059
SJ SECURITIES SDN. BHD.	Ground Floor, Podium Block Wisma Synergy, Lot 72, Persiaran Jubli Perak, Section 22 40000 Shah Alam Selangor Darul Ehsan Tel No.: 03-5192 0202	096-001
SJ SECURITIES SDN. BHD.	No. A-3-11, Block Alamanda, 3rd Floor, 10 Boulevard, Lebuhraya Sprint PJU 6A 47400 Damansara Selangor Darul Ehsan Tel No.: 03-7732 3862	096-005
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T, Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	2nd Floor, Wisma TA No. 1A, Jalan SS 20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7795 5713	058-007
PERAK DARUL RIDZUAN		
AFFIN HWANG INVESTMENT BANK BHD	Tingkat Bawah, 1, 2 & 3 21, Jalan Stesen 30400 Taiping Perak Darul Ridzuan Tel No.: 05-8066 688	068-003
AFFIN HWANG INVESTMENT BANK BHD	Tingkat Bawah, 1 & 2 No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2559 988	068-015
CGS-CIMB SECURITIES SDN BHD	No. 8, 8A-C Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2088 688	065-001

Name	Address and Telephone Number	Broker Code
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2530 888	066-003
KENANGA INVESTMENT BANK BHD	Ground, 1st, 2nd & 4th Floor No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2422 828	073-022
KENANGA INVESTMENT BANK BHD	Ground Floor No. 25 & 25A, Jalan Jaya 2 Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6939 828	073-031
M & A SECURITIES SDN. BHD.	5th, 6th & Unit 8A M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No.: 05-2419 800	057-001
MALACCA SECURITIES SDN. BHD.	1st Floor Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05- 2541 533	012-013
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Ground Floor), Level 1 & 2 No. 42, Persiaran Greentown 1 Pusat Dagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2453 400	098-002
RHB INVESTMENT BANK BHD	No. 17, Jalan Intan 2, Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6236 498	087-014
RHB INVESTMENT BANK BHD	Gound & 1st Floor No. 23 & 25, Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6921 228	087-016
RHB INVESTMENT BANK BHD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2415 100	087-023
RHB INVESTMENT BANK BHD	Ground Floor, No. 40, 42 & 44, Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No.: 05-8088 229	087-034

Name	Address and Telephone Number	Broker Code
RHB INVESTMENT BANK BHD	Ground Floor No.72, Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No.: 05-4651 261	087-044
RHB INVESTMENT BANK BHD	No. 1 & 3, First Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200 Parit Buntar Perak Darul Ridzuan Tel No.: 05-7170 888	087-052
TA SECURITIES HOLDINGS BHD	Ground, 1st & 2nd Floor Plaza Teh Teng Seng, No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No.: 05-2531 313	058-001
UOB KAY HIAN SECURITIES (M) SDN. BHD.	153A Jalan Raja Musa Aziz 30300 Ipoh Perak Darul Ridzuan Tel No.: 05-2411 290	078-002
PENANG		
AFFIN HWANG INVESTMENT BANK BHD	Level 2, 3, 4, 5, 7 & 8 Wisma Sri Pinang 60, Green Hall 10200 Penang Tel No.: 04-2636 996	068-001
AFFIN HWANG INVESTMENT BANK BHD	No. 2 & 4 Jalan Perda Barat, Bandar Perda 14000 Penang Tel No.: 04-5372 882	068-006
ALLIANCE INVESTMENT BANK BHD	Ground & Mezzanine Floor Bangunan Berkath 21, Beach Street 10300 Penang Tel No.: 04-2611 688	076-015
AMINVESTMENT BANK BERHAD	Level 3, Menara Liang Court No. 37, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2261 818	086-001
CGS-CIMB SECURITIES SDN BHD	Level 2, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2385 900	065-001
CGS-CIMB SECURITIES SDN BHD	2nd Floor, No.6160 Jalan Ong Yi How Kawasan Perindustrian Teras Jaya 13400 Butterworth Penang Tel No.: 04-3291 112	065-001

Name	Address and Telephone Number	Broker Code
CGS-CIMB SECURITIES SDN BHD	1st Floor, 32A Jalan Mahsuri 11950 Bandar Bayan Baru Penang Tel No.: 04-6422 287	065-001
CGS-CIMB SECURITIES SDN BHD	No. 20-1 & 20-2 Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Bayan Lepas Penang Tel No.: 04-6412 881	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor, Unit 1308 &1309 Jalan Besar, Sungai Bakap 14200 Sungai Jawi Penang Tel No.: 04-6412 881	065-001
INTER-PACIFIC SECURITIES SDN. BHD.	Canton Square Level 2 & 3 No. 56 Cantonment Road 10250 Penang Tel No.: 04-2268 288	054-002
JF APEX SECURITIES BERHAD	368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Penang Tel No.: 04-2289 118	079-005
KENANGA INVESTMENT BANK BHD	7th, 8th & 16th Floor Menara Boustead 39, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2283 355	073-023
M & A SECURITIES SDN. BHD.	332H-1 & 332G-2 Harmony Square Jalan Perak 11600 Georgetown Penang Tel No.: 04-2817 611	057-005
M & A SECURITIES SDN. BHD.	9-1-33 Taman Kheng Tian Jalan Van Praagh 11600 Georgetown Tel No.: 04-2617 611	057-008
MALACCA SECURITIES SDN. BHD.	48 Jalan Todak 2 13700 Seberang Jaya Penang Tel No.: 04-2409 319	012-001
MALACCA SECURITIES SDN. BHD.	No.17, 1st Floor Persiaran Bayan Indah Taman Bayan Indah 11900 Bayan Lepas Penang Tel No.: 04-6421 533	012-001

Name	Address and Telephone Number	Broker Code
MAYBANK INVESTMENT BANK BERHAD	Ground Floor Bangunan KWSP No.38 Lot PT 8, Seksyen 14 Jalan Sultan Ahmad Shah 10050 Georgetown Penang Tel No.: 04 2196 888	098-006
MERCURY SECURITIES SDN. BHD.	Ground, 1st, 2nd & 3rd Floor Wisma UMNO Lorong Bagan Luar Dua 12000 Butterworth, Seberang Perai Penang Tel No.: 04-3322 123	093-001
MERCURY SECURITIES SDN. BHD.	2nd Floor Standard Chartered Bank Chambers 2 Lebuh Pantai 10300 Penang Tel No.: 04-2639 118	093-004
MERCURY SECURITIES SDN. BHD.	70-1-22, Jalan Mahsuri 11900 Bandar Bayan Baru Penang Tel No.: 04-6400 822	093-006
PM SECURITIES SDN. BHD.	3rd Floor, Wisma Wang 251-A Jalan Burmah 10350 Penang Tel No.: 04-2273 000	064-004
RHB INVESTMENT BANK BHD	Ground, 1st & 2nd Floor No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Penang Tel No.: 04-3900 022	087-005
RHB INVESTMENT BANK BHD	Ground Floor– Tingkat 3 & Tingkat 5 – Tingkat 8 64 & 64-D Lebuh Bishop 10200 Penang Tel No.: 04-2634 222	087-033
RHB INVESTMENT BANK BHD	Ground & 1st Floor No. 15-G-5, 15-G-6, 15-1-5, 15-1-6 Medan Kampung Relau (Bayan Point) 11950 Penang Tel No.: 04-6404 888	087-042
TA SECURITIES HOLDINGS BHD	3rd Floor, Bangunan Heng Guan 171, Jalan Burmah 10050 Penang Tel No. : 04-2272 339	058-010

Name	Address and Telephone Number	Broker Code
UOB KAY HIAN SECURITIES (M) SDN. BHD.	1st and 2nd Floor Bangunan Heng Guan No. 171 Jalan Burmah 10050 Penang Tel No.: 04-2299 318	078-002
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Ground & 1st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Penang Tel No.: 04-5541 388	078-003
KEDAH DARUL AMAN		
AFFIN HWANG INVESTMENT BANK BHD	No. 70A, B & C, Jalan Mawar 1 Taman Pekan Baru 08000 Sungai Petani Kedah Darul Aman Tel No.: 04-4256 666	068-011
ALLIANCE INVESTMENT BANK BHD	Lot T-30, 2nd Floor Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-7317 088	076-004
CGS-CIMB SECURITIES SDN BHD	2nd Floor, No.102 Kompleks Persiaran Sultan Abdul Hamid Jalan Pegawai 05050 Alor Setar Kedah Darul Aman Tel No.: 04-7774 400	065-001
MALACCA SECURITIES SDN. BHD.	No. 9 Tingkat Satu Kompleks Perniagaan LITC Jalan Putra Mergong 05150 Alor Setar Kedah Darul Aman Tel No.: 04- 7300 299	012-001
RHB INVESTMENT BANK BHD	35, Ground Floor Jalan Suria 1, Jalan Bayu 09000 Kulim Kedah Darul Aman Tel No.: 04-4964 888	087-019
RHB INVESTMENT BANK BHD	Ground & 1st Floor 214-A & 214-B Medan Putra, Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7209 888	087-021

Name	Address and Telephone Number	Broker Code
NEGERI SEMBILAN DARUL KHUSUS		
AFFIN HWANG INVESTMENT BANK BHD	Ground & 1st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7612 288	068-007
AFFIN HWANG INVESTMENT BANK BHD	No. 6, Upper Level Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-4553 188	068-013
CGS-CIMB SECURITIES SDN BHD	1st Floor, No.21 Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-4553 155	065-001
CGS-CIMB SECURITIES SDN BHD	2nd Floor, Lot 3110 Jalan Besar, Lukut 71010 Port Dickson Negeri Sembilan Darul Khusus Tel No.: 06-6515 385	065-001
CGS-CIMB SECURITIES SDN BHD	Level 2, Wisma Dewan Perniagaan Melayu Negeri Sembilan Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7614 651	065-001
KENANGA INVESTMENT BANK BHD	1C & 1D, 1st Floor Jalan Tunku Munawir 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7655 998	073-001
MAYBANK INVESTMENT BANK BERHAD	Ground Floor, Wisma HM No. 43 Jalan Dr. Krishnan 70000, Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7669 555	098-005
PM SECURITIES SDN. BHD.	Ground, 1st, 2nd & 3rd Floor 19, 20 & 21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7623 131	064-002

Name	Address and Telephone Number	Broker Code
RHB INVESTMENT BANK BHD	Ground, 1st & 2nd Floor No. 32 & 33 Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7641 641	087-024
RHB INVESTMENT BANK BHD	1st Floor No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No.: 06-4421 000	087-037

MELAKA

CGS-CIMB SECURITIES SDN BHD	No 191 Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No.: 06-2898 897	065-006
KENANGA INVESTMENT BANK BHD	71 & 73 (Ground, A&B) Jalan Merdeka, Taman Melaka Raya 75000 Melaka Tel No.: 06-2881 720	073-001
KENANGA INVESTMENT BANK BHD	22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No.: 06-3372 550	073-001
MALACCA SECURITIES SDN. BHD.	No. 1, 3 & 5, Jalan PPM 9 Plaza Pandan Malim (Business Park) Balai Panjang P.O Box 248 75250 Melaka Tel No.: 06-3371 533	012-001
MERCURY SECURITIES SDN. BHD.	81B & 83B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2921 898	093-003
PM SECURITIES SDN. BHD.	No. 6-1, Jalan Lagenda 2 Taman 1 Legenda 75400 Melaka Tel No.: 06-2866 008	064-006
RHB INVESTMENT BANK BHD	No. 19, 21 & 23 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2849 885	087-002

Name	Address and Telephone Number	Broker Code
RHB INVESTMENT BANK BHD	579, 580 & 581 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2825 211	087-026
TA SECURITIES HOLDINGS BHD	No. 59, 59A & 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2862 618	058-003
UOB KAY HIAN SECURITIES (M) SDN. BHD.	7-2 Jalan PPM8 Malim Business Park 75250 Melaka Tel No.: 06-3352 511	078-014
JOHOR DARUL TAKZIM		
ALLIANCE INVESTMENT BANK BHD	No. 73, Ground & 1st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-7717 922	076-006
AMINVESTMENT BANK BERHAD	2nd, 3rd, 4th Floor Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4342 282	086-001
AMINVESTMENT BANK BERHAD	18th Floor, Metropolis Tower Jalan Dato’ Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-3343 699	086-001
CGS-CIMB SECURITIES SDN BHD	No. 73 Ground Floor, No. 73A & 79A First Floor Jalan Kuning Dua 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3405 888	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor, 101 Jalan Gambir 8 Bandar Baru Bukit Gambir 84800 Muar Johor Darul Takzim Tel No.: 07-9764 559	065-001
CGS-CIMB SECURITIES SDN BHD	1st Floor, No.384A Jalan Simbang, Taman Perling 81200 Johor Bahru Johor Darul Takzim Tel No.: 07-2329 673	065-001
CGS-CIMB SECURITIES SDN BHD	2nd Floor, 113 & 114 Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-9311 509	065-001

Name	Address and Telephone Number	Broker Code
CGS-CIMB SECURITIES SDN BHD	1st Floor, No. 8A Jalan Dedap 20 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3537 669	065-001
AFFIN HWANG INVESTMENT BANK BHD	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2222 692	068-004
INTER-PACIFIC SECURITIES SDN. BHD.	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2231 211	054-004
KENANGA INVESTMENT BANK BHD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3333 600	073-004
KENANGA INVESTMENT BANK BHD	Ground & Mezzanine Floor No. 34, Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-9333 515	073-001
KENANGA INVESTMENT BANK BHD	No. 33 & 35 A & B, Ground Floor Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No.: 07-7771 161	073-001
KENANGA INVESTMENT BANK BHD	Ground Floor No. 4 Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No.: 06-9782 292	073-001
KENANGA INVESTMENT BANK BHD	No. 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4326 963	073-001
KENANGA INVESTMENT BANK BHD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9531 222	073-001
M & A SECURITIES SDN. BHD.	Suite 5.3A, Level 5 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3381 233	057-003

Name	Address and Telephone Number	Broker Code
MALACCA SECURITIES SDN. BHD.	1735-B Jalan Sri Putri 4 Taman Putri Kulai 81000 Kulai Jaya Johor Darul Takzim Tel No: 010-2228 313	012-001
MALACCA SECURITIES SDN. BHD.	Lot 880, Batu 3 ½ Jalan Salleh 84000 Muar Johor Darul Takzim Tel No: 06-9536 948	012-001
MALACCA SECURITIES SDN. BHD.	31-B Jalan Rahmat 83000 Batu Pahat Johor Darul Takzim Tel No: 07-4381 533	012-001
MERCURY SECURITIES SDN. BHD.	Suite 17.1, Level 17 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3316 992	093-005
PM SECURITIES SDN. BHD.	Ground & 1st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park, Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4333 608	064-001
RHB INVESTMENT BANK BHD	53, 53-A & 53-B Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4380 288	087-009
RHB INVESTMENT BANK BHD	No. 33-1, 1st and 2nd Floor Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9538 262	087-025
RHB INVESTMENT BANK BHD	Ground & 1st Floor No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No.: 07-5577 628	087-029
RHB INVESTMENT BANK BHD	Ground, 1st & 2nd Floor No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No.: 07-9321 543	087-030

Name	Address and Telephone Number	Broker Code
RHB INVESTMENT BANK BHD	Grounf & 1st Floor No. 40 Jalan Haji Manan 86000 Kluang Johor Darul Takzim Tel No.: 07-7769 655	087-031
RHB INVESTMENT BANK BHD	Ground, 1st & 2nd Floor No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No.: 07-6626 288	087-035
RHB INVESTMENT BANK BHD	1st Floor No.2 & 4 Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No.: 07-9256 881	087-039
RHB INVESTMENT BANK BHD	Ground, 1st & 2nd Floor No. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3522 293	087-043
TA SECURITIES HOLDINGS BHD	7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No.: 07-9435 278	058-009
TA SECURITIES HOLDINGS BHD	15, Jalan Molek 1/5A Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel no.: 07-3647 388	058-011
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-2197 575	078-001
UOB KAY HIAN SECURITIES (M) SDN. BHD.	No. 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-6637 398	078-001
UOB KAY HIAN SECURITIES (M) SDN. BHD.	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3513 218	078-001

Name	Address and Telephone Number	Broker Code
UOB KAY HIAN SECURITIES (M) SDN. BHD.	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No.: 07-5121 633	078-008
KELANTAN DARUL NAIM		
CGS-CIMB SECURITIES SDN BHD	Level 4, Wisma TCH Jalan Pengkalan Chepa 15400 Kota Baru Kelantan Darul Naim Tel No.: 09-7419 050	065-001
RHB INVESTMENT BANK BHD	Gound & 1st Floor No. 3953-H Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No.: 09-7430 077	087-020
TA SECURITIES HOLDINGS BHD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7433 388	058-004
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Ground Floor & 1st Floor Lot 712, Sek 9, PT 62 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7473 906	078-004
PAHANG DARUL MAKMUR		
ALLIANCE INVESTMENT BANK BHD	B-400 Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel No.: 09-5660 800	076-002
CGS-CIMB SECURITIES SDN BHD	Ground 1st & 2nd Floor No. A-27, Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No.: 09-5057 800	065-001
KENANGA INVESTMENT BANK BHD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5171 698	073-001
MALACCA SECURITIES SDN. BHD.	P11-3 Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No: 09-2220 993	012-001

Name	Address and Telephone Number	Broker Code
RHB INVESTMENT BANK BHD	B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5173 811	087-007
RHB INVESTMENT BANK BHD	Ground & 1st Floor No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No.: 05-4914 913	087-041
TERENGGANU DARUL IMAN		
ALLIANCE INVESTMENT BANK BHD	Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6317 922	076-009
RHB INVESTMENT BANK BHD	Ground & 1st Floor 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No.: 09-8583 109	087-027
RHB INVESTMENT BANK BHD	1st Floor No. 59, Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6261 816	087-055
UOB KAY HIAN SECURITIES (M) SDN. BHD.	No.37-B, 1st Floor Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6224 766	078-016
SABAH		
AFFIN HWANG INVESTMENT BANK BHD	Suite 1-9-E1, 9th Floor CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No.: 088-311 688	068-008
CGS-CIMB SECURITIES SDN BHD	1st – 3rd Floor, Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No.: 088-328 878	065-001

Name	Address and Telephone Number	Broker Code
CGS-CIMB SECURITIES SDN BHD	1st Floor, Lot 12 Block A3, Phase 2 Utama Place Mile 6, Northern Road 90000 Sandakan Sabah Tel No.: 089-215 578	065-001
KENANGA INVESTMENT BANK BHD	Lot 66-0 (TB 15611-0) Ground Floor, Kubota Road 91000 Tawau Sabah Tel No.: 089-704 892	073-001
KENANGA INVESTMENT BANK BHD	Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236 188	073-032
RHB INVESTMENT BANK BHD	2nd Floor No. 81 & 83 Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-269 788	087-010
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Lot 177 & 178 Ground Floor, Block 17 Phase 2, Prima Square Mile 4, North Road 90000 Sandakan Sabah Tel No.: 089-218 681	078-012
SARAWAK		
AFFIN HWANG INVESTMENT BANK BHD	Ground Floor & 1st Floor No.1 Jalan Pending 93450 Kuching Sarawak Tel No.: 082-341 999	068-005
AMINVESTMENT BANK BERHAD	No. 162, 164, 166 & 168 1st Floor Jalan Abell 93100 Kuching Sarawak Tel No.: 082-244 791	086-001
CGS-CIMB SECURITIES SDN BHD	Aras 1 (Utara) Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No.: 082-358 688	065-001

Name	Address and Telephone Number	Broker Code
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel No.: 084-367 700	065-001
KENANGA INVESTMENT BANK BHD	Lot 1866, Jalan MS 2/5 Marina Square 2 Marina Parkcity 98000 Miri Sarawak Tel No.: 085-435 577	073-001
KENANGA INVESTMENT BANK BHD	Level 2-4, Wisma Mahmud Jalan Sungai Sarawak 93400 Kuching Sarawak Tel No.: 082-338 000	073-001
KENANGA INVESTMENT BANK BHD	No. 11-12, (Ground & 1st Floor) Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No.: 084-313 855	073-001
KENANGA INVESTMENT BANK BHD	Ground Floor of Survey Lot No. 4203 Parkcity Commerce Square Phase 6, Jalan Diwarta 97000, Bintulu Sarawak Tel No.: 086-337 588	073-001
MERCURY SECURITIES SDN. BHD.	1st Floor No.16 Jalan Getah 96100 Sarikei Sarawak Tel No.: 084-659 019	093-001
RHB INVESTMENT BANK BHD	Yung Kong Abell Units No. 1-10, 2nd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-250 888	087-008
RHB INVESTMENT BANK BERHAD	Lot 1268, 2nd Floor Lot 1269, 2nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No.: 085-422 788	087-012
RHB INVESTMENT BANK BERHAD	102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No.: 084-329 100	087-008

Name	**Address and Telephone Number**	**Broker Code**
RHB INVESTMENT BANK BERHAD	Ground & 1st Floor No. 221, Park City Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-311 770	087-053
TA SECURITIES HOLDINGS BHD	12G, H & I Jalan Kampong Datu 96000 Sibu Sarawak Tel No.: 084-319 998	058-002
TA SECURITIES HOLDINGS BHD	2nd Floor, (Bahagian Hadapan) Bangunan Binamas, Lot 138 Section 54, Jalan Pandung 93100 kuching Sarawak Tel No.: 082-236 333	058-006
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Lot 1265, 1st Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No.: 085-324 128	078-017
UOB KAY HIAN SECURITIES (M) SDN. BHD.	Ground Floor & First Floor No.16 Lorong Intan 6 96000 Sibu Sarawak Tel No.: 084-252 737	078-018

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