

## 2. PROSPECTUS SUMMARY

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

### 2.1 PRINCIPAL DETAILS OF IPO

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

	Public Issue		Offer for Sale		Total	
	No. of Shares	<sup>(1)</sup> %	No. of Shares	<sup>(1)</sup> %	No. of Shares	<sup>(1)</sup> %
Malaysian Public	40,000,000	5.0	-	-	40,000,000	5.0
Pink Form Allocations	40,000,000	5.0	-	-	40,000,000	5.0
Private placement:						
• Bumiputera investors approved by MITI	80,000,000	10.0	20,000,000	2.5	100,000,000	12.5
• Selected investors	-	-	25,000,000	3.1	25,000,000	3.1
	<b>160,000,000</b>	<b>20.0</b>	<b>45,000,000</b>	<b>5.6</b>	<b>205,000,000</b>	<b>25.6</b>

Enlarged no. of Shares upon Listing	800,000,000
IPO Price per Share	RM[●]
Market capitalisation (calculated based on our IPO Price and enlarged number of Shares upon Listing)	RM[●]

**Note:**

<sup>(1)</sup> Based on our enlarged share capital of 800,000,000 Shares after our IPO.

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

In compliance with Rule 3.19(1) of the Listing Requirements, our Specified Shareholders, namely Chin Mee Leen's and Loke Theen Fatt's entire shareholdings after our IPO will be held under moratorium for 6 months from the date of our admission to the Official List. Thereafter, their shareholdings amounting to 45.0% of our share capital will remain under moratorium for another 6 months. Our Specified Shareholders may sell, transfer or assign up to a maximum of one-third per annum (on a straight-line basis) of their shares held under moratorium upon expiry of the second 6 months period.

In relation thereto, our Specified Shareholders have provided undertaking not to sell, transfer or assign their shareholdings under moratorium during the abovesaid moratorium period from the date of our admission to the Official List.

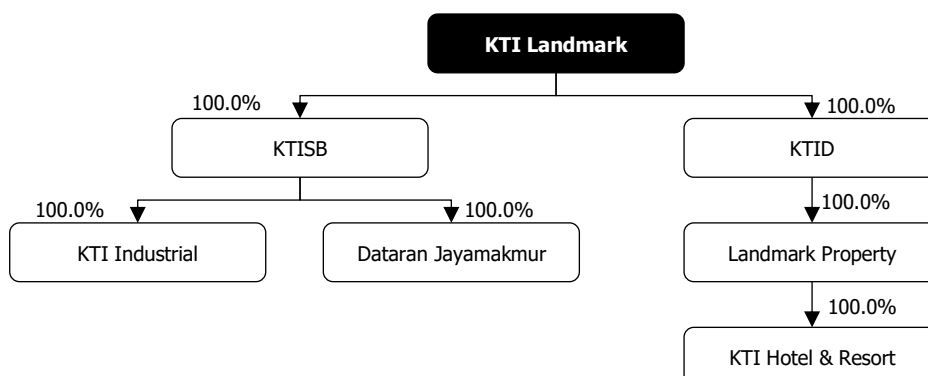
Further details on the moratorium on our Shares are set out in Section 3.2.

### 2.2 GROUP STRUCTURE, BUSINESS MODEL AND OPERATIONAL HIGHLIGHTS

Our Company was incorporated in Malaysia under the Companies Act 1965 on 10 March 2016 as a public limited company under the name of KTI Property Berhad and is deemed registered under the Act. Subsequently on 14 July 2022, our Company changed its name to KTI Landmark Berhad.

## 2. PROSPECTUS SUMMARY (Cont'd)

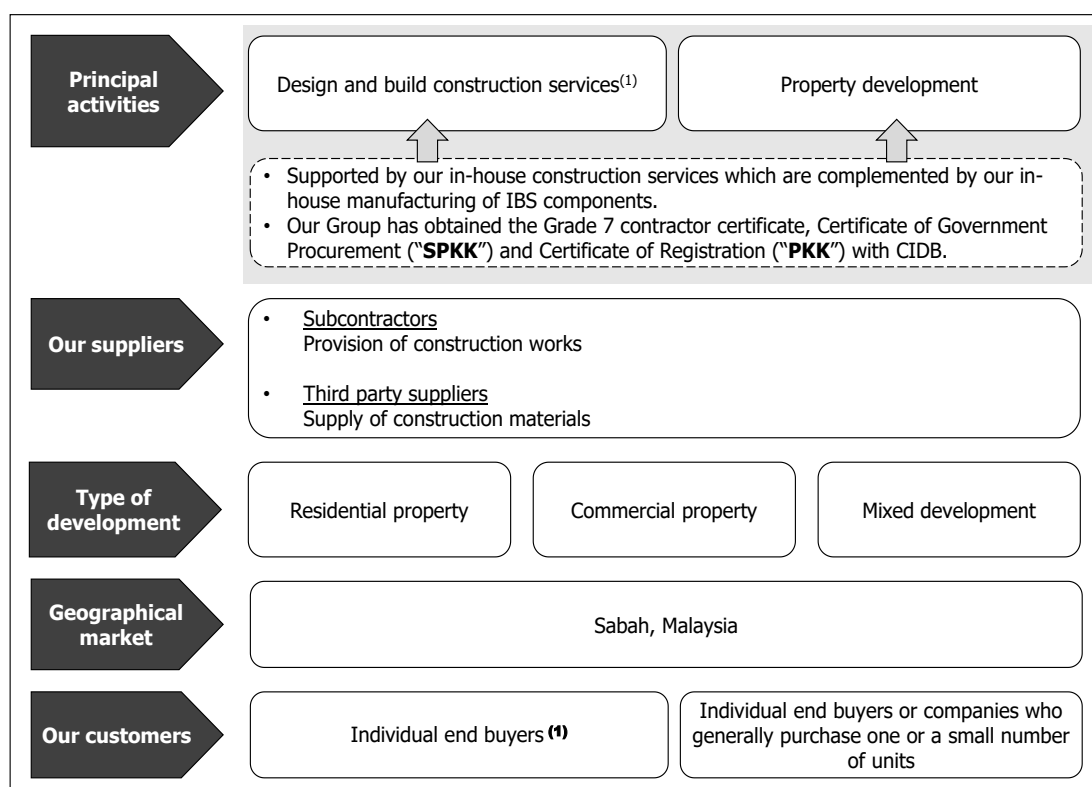
Our Company was incorporated to facilitate our Listing and our principal activities is that of an investment holding company. Our Group's structure as at LPD is as follows:



Through our subsidiaries, we are a property developer, principally involved in the provision of design and build construction services and property development. Our Group is involved in all aspects of property development activities comprising site selection, project design, submission of building plans to relevant authorities, sales and marketing of our projects and delivery of vacant possession to end buyers as well as in construction activities. Please refer to Section 7.3 for further details of our principal business activities.

Our design and build construction services and property development activities are supported by our in-house construction services, which is complemented by our in-house manufacturing of IBS components. We utilise the IBS construction technique for most of our design and build construction projects and property development projects. Further details on the manufacturing of IBS components are set out in Section 7.4.

We have 39 years of operating history in the property market and construction industry in Malaysia. Our Group's business model is depicted in the diagram below:



**2. PROSPECTUS SUMMARY (Cont'd)****Note:**

- (1) While the property projects are sold to individual end buyers, our design and build construction services are a collaboration with LPPB to develop residential and commercial property projects for the general public and civil servants housing projects (i.e. PPAM). Further details on the arrangement with LPPB are as set out in Section 7.3.1.1.

For FYE 2020 to 2022, our Group's revenue was derived from our business activities in Sabah, Malaysia. The table below sets out our Group's revenue segmentation by type of development projects for FYE 2020 to 2022:

	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%
<b>(a) Provision of design and build construction services to LPPB</b>						
<b>On-going developments</b>						
Taman Seri Lemawang Phase 1A	8,328	9.2	<sup>(1)</sup> (110)	(0.1)	768	0.7
Taman Seri Lemawang Phase 1B <sup>(2)</sup>	13,671	15.2	2,068	2.1	320	0.3
Taman Seri Lemawang Phase 1C	16,087	17.8	6,870	6.9	2,149	1.9
Taman Seri Lemawang Phase 1D	7,383	8.2	17,297	17.6	5,046	4.5
Taman Seri Lemawang Phase 1E	-	-	-	-	3,543	3.1
Taman Seri Lemawang Phase 1F	149	0.2	9,689	9.8	6,619	5.9
Taman Seri Lemawang Phase 1G	38	*	13,495	13.7	11,856	10.5
Taman Seri Lemawang Phase 1H	-	-	73	0.1	21,343	18.9
Taman Seri Lemawang Phase 1I	-	-	-	-	6,011	5.3
Plaza Seri Lemawang	-	-	3,650	3.7	5,710	5.1
Residency Seri Akasia Phase 1	-	-	8,538	8.7	13,605	12.1
Residency Seri Akasia Phase 2	-	-	-	-	860	0.8
Taman Bukit Alamanda	-	-	-	-	15,490	13.7
Puncak Gloxinia Phase 2 – Block D <sup>(2)</sup>	13,299	14.8	-	-	-	-
Puncak Gloxinia Phase 2 – Block E <sup>(2)</sup>	8,088	9.0	-	-	-	-
Puncak Gloxinia Phase 2 – Block F <sup>(2)</sup>	12,823	14.2	-	-	-	-
<b>Total on-going developments</b>	<b>79,866</b>	<b>88.6</b>	<b>61,570</b>	<b>62.5</b>	<b>93,320</b>	<b>82.7</b>
<b>Completed properties</b>						
Taman Nelly 8D	714	0.8	119	0.1	110	0.1
Taman Kota Phase 2A	188	0.2	-	-	-	-
Taman La Gloxinia Phase 1	480	0.5	-	-	-	-
Taman Seri Lemawang Phase 1B <sup>(3)</sup>	-	-	-	-	255	0.2
Puncak Gloxinia Phase 1 – Block A	996	1.1	337	0.3	-	-
Puncak Gloxinia Phase 1 – Block B	1,011	1.1	<sup>(1)</sup> (24)	*	*	*
Puncak Gloxinia Phase 1 – Block C	296	0.3	-	-	-	-
Puncak Gloxinia Phase 2 – Block D <sup>(3)</sup>	3,672	4.1	17,472	17.7	577	0.5
Puncak Gloxinia Phase 2 – Block E <sup>(3)</sup>	1,419	1.6	12,789	13.0	1,211	1.1
Puncak Gloxinia Phase 2 – Block F <sup>(3)</sup>	1,551	1.7	6,255	6.4	-	-
<b>Total completed properties</b>	<b>10,327</b>	<b>11.4</b>	<b>36,948</b>	<b>37.5</b>	<b>2,153</b>	<b>1.9</b>
<b>(b) Own property development</b>						
<b>On-going developments</b>						
Parkhill	-	-	-	-	13,026	11.5
Shorea <sup>n</sup> Astoria	-	-	-	-	4,381	3.9
<b>Total on-going developments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,407</b>	<b>15.4</b>
<b>Grand total</b>	<b>90,193</b>	<b>100.0</b>	<b>98,518</b>	<b>100.0</b>	<b>112,880</b>	<b>100.0</b>

## **2. PROSPECTUS SUMMARY (Cont'd)**

### **Notes:**

- \* Less than 0.1%
- (1) Being rebates granted to customers in relation to units sold, which were recognised based on credit notes that form part of the payments made by customers.
- (2) Revenue recognised for the units of the projects which were sold before the project was completed.
- (3) Revenue recognised for the units of the projects which were sold after the project was completed.

Our Group's revenue was mainly derived from our on-going developments, which accounted for 88.6%, 62.5% and 98.1% of our Group's total revenue for FYE 2020 to 2022 respectively.

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

## **2.3 INTERRUPTION TO BUSINESS AND OPERATIONS**

Save for the interruption to our business and operations arising from the COVID-19 pandemic as disclosed below, we did not experience any other interruptions to our operations which had a significant effect on our business in the past 12 months up until LPD.

### **2.3.1 Impact of COVID-19 on the operations at our headquarters, sales galleries and IBS casting yard**

Pursuant to the outbreak of the COVID-19 pandemic in 2020, the Government had implemented different forms of MCO from 18 March 2020 to 31 March 2022 to contain the spread of virus. During this period, our Group was required to comply with the changes in SOP (e.g. reduced workforce capacity) outlined by MITI throughout the period. The reduction in workforce capacity, as per MITI's SOP during these periods, did not result in material adverse impact to our business operations at our headquarters, sales galleries and IBS casting yard. Since December 2021, we have been operating at full workforce capacity after 80.0% of our employees obtained 2 doses of vaccination, as outlined by MITI.

In addition, there were no major disruptions in the procurement of supplies, or disruptions/delays in logistics which resulted in major shortages of supplies to carry out the operations at our IBS casting yard since March 2020. Despite the temporary disruption to our casting yard activities, there were no delays in the delivery of IBS components to our project sites and no delays on the delivery of our projects. Further, our Group's ability to complete our projects on time despite the disruptions to operations during the pandemic had demonstrated that the adoption of IBS construction technique is able to shorten construction times.

Beginning 1 April 2022, Malaysia entered into the "Transition to Endemic" phase. Among the relaxed rules and SOP include the abolishment of restrictions on business operating hours (i.e. business owners are allowed to set the hours of operation according to the terms of their business licence) and the abolishment of limits on the number of personnel allowed in workplace. The operations at our headquarters, sales galleries and IBS casting yards were not impacted by the enforcement of the "Transition to Endemic" phase beginning 1 April 2022.

### **2.3.2 Impact of COVID-19 on our construction activities and the delivery of our projects**

The temporary disruptions to the construction activities at our project sites as well as the reduction in workforce capacity, as per MITI's SOP during these periods, did not result in material adverse impact to our Group's operations at our construction sites as well as on the delivery of our projects. As such, our Group did not encounter any delays in the delivery of vacant possessions to buyers which have had buyers initiating LAD claims against our Group.

In addition, there were no major disruptions in the procurement of supplies, or disruptions/delays in logistics which resulted in major shortages of supplies to carry out construction activities, as well as disruptions to our subcontracted services since March 2020.

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## **2. PROSPECTUS SUMMARY (Cont'd)**

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Since December 2021, we have been operating at full workforce capacity after 80.0% of our employees and foreign workers obtained 2 doses of vaccination, as outlined by MITI.

There was no material impact to the construction activities at our project sites, receipt of supplies and subcontracted services upon the enforcement of the "Transition to Endemic" phase beginning 1 April 2022.

### **2.4 COMPETITIVE STRENGTHS**

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

- (a) We have a well-established history and track record of 39 years since the commencement of our business operations in 1984. Our property development capabilities allow us to have better control on all aspects of the development of our design and build construction projects and property development projects;
- (b) We have extensive experience in the provision of design and build construction services as we have been collaborating with LPPB since 2010 whereby we provided design and build construction services to LPPB. In the provision of design and build construction services to LPPB, our Group is involved in all aspects of property development activities comprising site assessment and market feasibility study, project design, submission of building plans to relevant authorities, securing financing, construction, sales and marketing of the projects, delivery of vacant possession to end buyers and property management. With this, our ability to gain LPPB's confidence over the years since 2010 demonstrates our Group's capability and extensive experience in the provision of design and build construction services;
- (c) We manufacture IBS components and adopt IBS construction technique in our construction activities to optimise our project efficiencies and manage our construction cost; and
- (d) We have an experienced key management team headed by Loke Theen Fatt, our Managing Director / Chief Executive Officer and our Executive Directors, Stella Loke Pei Wen and Wilson Loke Choon Syn who respectively have approximately 45 years, 12 years and 11 years of relevant experience in the property development and construction industries. We are supported by other members of key management team with experience ranging from 11 to 39 years in their respective areas of responsibilities.

Further details of our competitive strengths are set out in Section 7.7.

### **2.5 BUSINESS STRATEGIES**

Our business objectives are to maintain sustainable growth in our business and create long term shareholder value. To achieve our business objectives, we will implement the following business strategies over the period of 24 months from the date of our Listing:

- (a) We intend to expand our Group's property development business in Sabah through the acquisition of landbank for future projects that meets the demand of the property market in Sabah, primarily for residential properties. As at LPD, our Group is in the midst of completing the acquisition of Alamesra Lands from Millennium Amber Sdn Bhd (non-related party) for our future project in Alamesra, Kota Kinabalu. Further, we have also identified a parcel of land, measuring approximately 82.0 acres in Tuaran, for which we have commenced negotiations with the landowner to acquire the land;

## **2. PROSPECTUS SUMMARY (Cont'd)**

- (b) We intend to further strengthen our market presence as an established property developer in Sabah by leveraging on the positive market acceptance of our projects, our long standing and extensive knowledge and experience on the economic prospects in Sabah, and our understanding of the residential, commercial and mixed development property market in Sabah;
- (c) We intend to expand the production capability of our casting activities with the addition of a new IBS production line to produce hollow core slabs to supplement our existing range of IBS components manufactured. In this regard, we intend to set up the new IBS production line (including a batching and mixing plant to support the operations of our IBS production line) in our Kinarut casting yard. The new IBS production line can also be used to manufacture our existing range of IBS components to cater to our projects, as and when required; and
- (d) We intend to upgrade our software and systems to support and enhance our business operations, which allows our Group to manage the production planning and inventory management of our IBS activities, enhance the operational efficiencies of our financial and accounting functions, and improve the administration of our human resource and staff payroll functions.

Further details of our business strategies are set out in Section 7.17.

### **2.6 RISK FACTORS**

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

- (a) We are dependent on LPPB to sustain our pipeline of projects. All projects which contributed to our Group's revenue during FYE 2020 to 2022 were design and build construction services contracts awarded by LPPB. In the event that LPPB ceases to award design and build construction projects to our Group, our financial performance may be adversely affected;
- (b) We are subject to risks of possible delays in completing our design and build construction projects and property development projects. The timely completion of our design and build construction projects and property development projects is dependent on many external factors inherent in construction and property development, some of which may be beyond our control;
- (c) We are subject to potential liability claims for construction defects during the defect liability period. Unexpected levels of expenditure attributable to rectifying defects arising from a project may have a material adverse effect on the profitability generated from the particular project, which in turn may adversely affect our business and financial performance;
- (d) We are subject to risks associated with joint ventures as LPPB or our future joint venture partners may, in the future, have economic or business interests or goals that are not aligned with our Group; experience financial or other difficulties; be unable or unwilling to fulfil their contractual obligations such as not complying with requests in making payments during future capital calls; or take actions contrary to our instructions, requests, policies or objectives, amongst others;
- (e) Our business is capital intensive and is dependent on our ability to secure adequate financing. If we are unable to secure adequate credit facilities at competitive rates for the abovementioned requirements, our cash flows, operations, growth and expansion plans may be adversely affected;
- (f) The success of our Group is dependent on the experience, industry knowledge and domain expertise of our Executive Directors and key senior management;

## 2. PROSPECTUS SUMMARY (Cont'd)

- (g) Our construction works are dependent on the services of our subcontractors for timely completion and quality of our projects; and
- (h) We are subject to fluctuations in the prices and shortages of construction materials. Any increase in the cost of construction will increase our cost of sales and reduce our profit margin. In addition, shortages in construction materials may delay the timing of completion of our design and build construction projects or property development projects. This will ultimately affect our Group's business, cash flow and financial performance.

### 2.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
<b>Directors</b>	
Dato' Haji Hamzah Bin Haji Ghazalli	Independent Non-Executive Chairman
Loke Theen Fatt	Managing Director / Chief Executive Officer
Stella Loke Pei Wen	Executive Director
Wilson Loke Choon Syn	Executive Director
Datuk Tan Kok Liang	Independent Non-Executive Director
Lim Guik Moi	Independent Non-Executive Director
Chua Chai Hua	Independent Non-Executive Director
<b>Key senior management</b>	
Abdullah Azlan Bin Khalid	Chief Operating Officer
Chaw Ken Vun	Chief Financial Officer
Loke Pei Lee	Director of Management

Further details of our Directors and key senior management are set out in Section 5.

### 2.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

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

Name	Nationality	<sup>(1)</sup> Before IPO				<sup>(2)</sup> After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Promoters and substantial shareholders</b>									
Chin Mee Leen	Malaysian	522,369,500	81.6	<sup>(4)</sup> 117,630,500	18.4	485,640,500	60.7	<sup>(4)</sup> 109,359,500	13.7
Loke Theen Fatt	Malaysian	<sup>(3)</sup> 117,630,500	18.4	<sup>(4)</sup> 522,369,500	81.6	109,359,500	13.7	<sup>(4)</sup> 485,640,500	60.7
<b>Promoters</b>									
Stella Loke Pei Wen	Malaysian	-	-	-	-	-	-	-	-
Wilson Loke Choon Syn	Malaysian	-	-	-	-	-	-	-	-
Loke Pei Lee	Malaysian	-	-	-	-	-	-	-	-

#### Notes:

- (1) Based on our share capital of 640,000,000 Shares before our IPO.
- (2) Based on our enlarged share capital of 800,000,000 Shares after our IPO.
- (3) Including 1 Share which was transferred from Yap Kim Leng, a nominee shareholder, to Loke Theen Fatt.
- (4) Deemed interested by virtue of his/her spouse's shareholdings in our Company.

## 2. PROSPECTUS SUMMARY (Cont'd)

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

### 2.9 UTILISATION OF PROCEEDS

The gross proceeds to be raised by our Company from the Public Issue of RM[•] million shall be utilised in the following manner:

Utilisation of proceeds	RM'000	%	<sup>(1)</sup> Estimated timeframe for utilisation
Acquisition of land for development	[•]	[•]	Within 12 months
Upgrading existing / expansion of our casting yard / IBS facility for our building division	[•]	[•]	Within 24 months
Upgrading software and systems	[•]	[•]	Within 6 months
Working capital for project development	[•]	[•]	Within 12 months
Repayment of bank borrowings	[•]	[•]	Within 6 months
Estimated listing expenses	[•]	[•]	Within 1 month
<b>Total</b>	<b>[•]</b>	<b>100.0</b>	

**Note:**

(1) From the date of listing of our Shares.

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

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

### 2.10 FINANCIAL HIGHLIGHTS

#### 2.10.1 Combined statements of comprehensive income

The following table sets out the financial highlights based on our combined statements of comprehensive income for FYE 2020 to 2022:

	Audited		
	FYE 2020	FYE 2021	FYE 2022
	RM'000	RM'000	RM'000
Revenue	90,193	98,518	112,880
GP	28,224	29,121	30,807
Other income	2,328	4,187	2,919
PAT	12,595	15,620	10,482
GP margin (%) <sup>(1)</sup>	31.3	29.6	27.3
PBT margin (%) <sup>(2)</sup>	17.2	19.7	12.4
PAT margin (%) <sup>(2)</sup>	14.0	15.9	9.3
EPS (sen) <sup>(3)</sup>	1.6	2.0	1.3

**Notes:**

(1) Calculated based on GP over revenue.

(2) Calculated based on PBT or PAT over revenue.

(3) Calculated based on PAT divided by our enlarged share capital of 800,000,000 Shares after our IPO.



**2. PROSPECTUS SUMMARY (Cont'd)**

There were no exceptional items during the financial years under review. Our audited combined financial statements for the past financial years under review were not subject to any audit qualifications. Further details on the financial information are set out in Sections 12 and 13.

**2.10.2 Pro forma combined statements of financial position**

The following table sets out a summary of the pro forma combined statements of financial position of our Group to show the effects of the Acquisitions, Public Issue and utilisation of proceeds. It is presented for illustrative purposes only and should be read together with the pro forma statements of financial position as set out in Section 14.

	<b>As at 31 December 2022</b>	<b>After subsequent (<sup>1</sup>)event</b>	<b>I After Acquisitions</b>	<b>II After Public Issue</b>	<b>III After II and utilisation of proceeds</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>					
Total non-current assets	41,785	41,785	41,785	41,785	[•]
Total current assets	208,371	193,371	193,371	[•]	[•]
<b>TOTAL ASSETS</b>	<b>250,156</b>	<b>235,156</b>	<b>235,156</b>	<b>[•]</b>	<b>[•]</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital	-	-	107,584	[•]	[•]
Invested capital	2,000	2,000	-	-	-
Retained earnings	135,785	120,785	120,785	120,785	[•]
Merger reserve	-	-	(105,584)	(105,584)	(105,584)
<b>TOTAL EQUITY</b>	<b>137,785</b>	<b>122,785</b>	<b>122,785</b>	<b>[•]</b>	<b>[•]</b>
Total non-current liabilities	40,713	40,713	40,713	40,713	[•]
Total current liabilities	71,658	71,658	71,658	71,658	[•]
<b>TOTAL LIABILITIES</b>	<b>112,371</b>	<b>112,371</b>	<b>112,371</b>	<b>112,371</b>	<b>[•]</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>250,156</b>	<b>235,156</b>	<b>235,156</b>	<b>[•]</b>	<b>[•]</b>
No. of Shares in issue ('000)	2,000	2,000	640,000	800,000	800,000
NA (RM'000)	137,785	122,785	122,785	[•]	[•]
NA per Share (RM)	69	61	0.2	[•]	[•]
Borrowings (RM'000)	53,305	53,305	53,305	53,305	[•]
Gearing (times)	0.4	0.4	0.4	[•]	[•]

**Note:**

(1) On 3 April 2023, KTID declared and paid a first interim dividend of RM15.0 million.

**2.11 DIVIDEND POLICY**

Our Group presently does not have any formal dividend policy. The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board. It is our intention to pay dividends to shareholders in the future; however, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board.

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**2. PROSPECTUS SUMMARY (Cont'd)**

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Dividends declared and paid by our subsidiaries for FYE 2020 to 2022 and up to LPD are as follows:

	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>1 January 2023 up to LPD</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Dividend declared and paid	-	-	-	<sup>(1)</sup> 15,000

**Note:**

- <sup>(1)</sup> An interim dividend of RM15.0 million was declared on 31 March 2023 and paid on 3 April 2023.

The dividends declared and paid on 1 January 2023 up to LPD were funded via internally generated cash. Further to the above, our Group intends to declare and pay a dividend of up to RM15.0 million by end of 2023 using internally generated funds, prior to the completion of our Listing. The dividends will not affect the execution and implementation of our Group's future plans or business strategies. Together with the IPO proceeds, our Group believes that we have sufficient funding of cash from operations for the funding requirement for our operations and expansion plans.

Further details of our dividend policy are set out in Section 12.17.

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