

## 6. INFORMATION ON OUR GROUP

### 6.1 OUR COMPANY

Our Company was incorporated in Malaysia on 22 November 2023 under the Act as a private limited company under the name of VETECE Holdings Sdn Bhd and was subsequently converted to a public limited company and assumed its current name on 8 December 2023 to facilitate our Listing.

Our principal activity is investment holding while the principal activities of our Subsidiaries are disclosed in Section 6.4 of this Prospectus.

### 6.2 SHARE CAPITAL AND CHANGES IN SHARE CAPITAL

As at the date of this Prospectus, our issued share capital is RM16,405,200 comprising 294,000,000 Shares.

Details of the changes in the issued share capital of our Company since its incorporation up to the LPD are as follows:

<u>Date of allotment</u>	<u>No. of Shares</u>	<u>Nature of transaction</u>	<u>Consideration</u>	<u>Cumulative issued share capital (RM)</u>	<u>Cumulative no. of Shares</u>
22 November 2023	2	Subscriber's shares	Cash	2	2
[•]	[293,999,998]	[Allotment of Shares pursuant to the Acquisitions]	[Other than Cash]	16,405,200	294,000,000

Upon completion of our Public Issue, our issued share capital will increase to RM[•] comprising 392,000,000 Shares.

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital in respect of our Shares. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of consideration for the allotments as tabulated above.

As at the LPD, we are not involved in any winding-up, receivership or similar proceedings.

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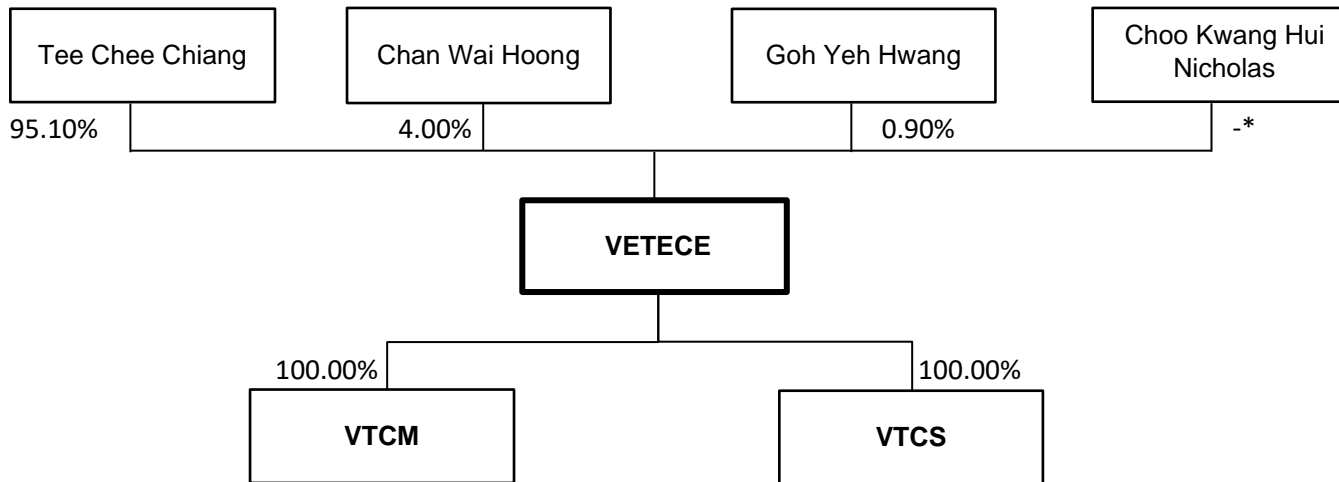
**6. INFORMATION ON OUR GROUP (CONT'D)**

**6.3 OUR GROUP STRUCTURE**

Our Group was formed on [●] pursuant to the completion of the Acquisitions, when VTCM and VTCS became our wholly-owned subsidiaries.

Our Group structure is as follows:

**After the Acquisitions but before our IPO<sup>(1)</sup>**

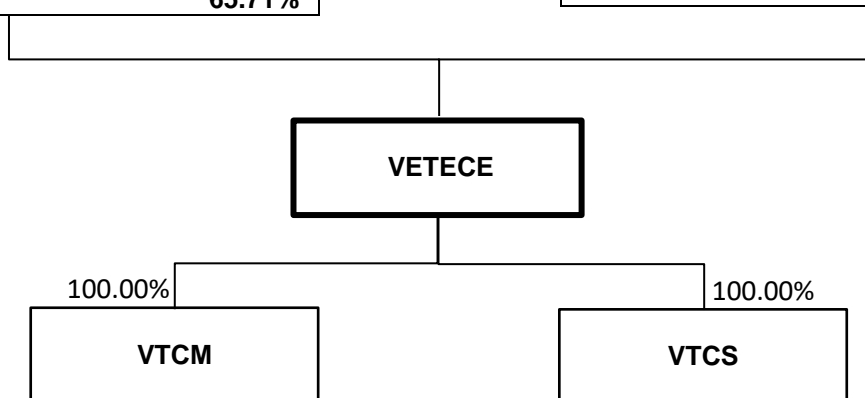


**6. INFORMATION ON OUR GROUP (CONT'D)**

**After our IPO<sup>(2)</sup>**

<b>Promoters</b>	<b>Shareholdings</b>
Tee Chee Chiang	61.32%
Chan Wai Hoong	3.56%
<b>Other Shareholders</b>	
Goh Yeh Hwang	0.83%
Choo Kwang Hui Nicholas	0.00%*
<b>Total</b>	<b>65.71%</b>

<b>Public shareholders</b>	<b>Shareholdings</b>
Placement to Non-Bumi	27.50%
Malaysian Public - Bumi	2.50%
Malaysian Public - Non-Bumi	2.50%
Pink form	1.79%
<b>Total</b>	<b>34.29%</b>



**Notes:**

(1) Based on the issued share capital of 294,000,000 Shares after the completion of the Acquisitions, but before our IPO.

(2) Based on the enlarged issued share capital of 392,000,000 Shares after our IPO.

\* Negligible

**6. INFORMATION ON OUR GROUP (CONT'D)**

In conjunction with the Acquisitions, our Company entered into the SSAs on 7 February 2024 for the acquisition of the entire share capital of VTCM from the VTCM Vendors and VTCS from the VTCS Vendor, the purchase consideration of which were fully satisfied by the issuance of new Shares at an issue price of RM0.0558 each in the proportion as set out in the table below.

<b>Vendor</b>	<b>No. of ordinary shares acquired</b>	<b>Equity interest in companies (%)</b>	<b>Purchase consideration (RM)</b>	<b>No. of Shares issued</b>
<b>VTCM Vendors</b>				
Tee Chee Chiang	1,901,909	95.10	15,206,569.07	272,519,159
Chan Wai Hoong	80,000	4.00	639,633.95	11,462,974
Goh Yeh Hwang	18,072	0.90	144,493.32	2,589,486
Choo Kwang Hui Nicholas	19	*	151.90	2,722
<b>Total</b>	<b>2,000,000</b>	<b>100.00</b>	<b>15,990,848.24</b>	<b>286,574,341</b>
<b>VTCS Vendor <sup>(1)</sup></b>	<b>25,000</b>	<b>100.00</b>	<b>414,351.66</b>	<b>7,425,657</b>
		<b>Total</b>	16,405,199.90	293,999,998

**Notes:**

\* Negligible

(1) The consideration shares for the acquisition of VTCS from the VTCS Vendor will be issued directly to the shareholders of the VTCS Vendor in the following proportions:

<b>Shareholder</b>	<b>No. of ordinary shares acquired</b>	<b>Equity interest in companies (%)</b>	<b>Purchase consideration (RM)</b>	<b>No. of Shares issued</b>
Tee Chee Chiang	78,929,230	95.10	394,029.64	7,061,463
Chan Wai Hoong	3,320,000	4.00	16,574.05	297,026
Goh Yeh Hwang	750,000	0.90	3,744.12	67,099
Choo Kwang Hui Nicholas	770	0.00	3.85	69
<b>Total</b>	<b>83,000,000</b>	<b>100.00</b>	<b>414,351.66</b>	<b>7,425,657</b>

The total purchase consideration of RM15,990,848.24 for the acquisition of VTCM was arrived at after taking into consideration the audited NA of VTCM as at 31 August 2023 of RM16,003,210 reflecting a discount of approximately RM12,362 to the foregoing NA for the purposes of computing a whole number of Shares to be issued pursuant to the foregoing acquisition. The acquisition of VTCM was completed on [●].

The total purchase consideration of RM414,351.66 for the acquisition of VTCS was arrived at after taking into consideration the audited NA of VTCS as at 31 August 2023 of RM414,671.65 (represents the audited NA of SGD120,892 converted at the exchange rate of SGD1.00 to RM3.4301 as at 31 August 2023 reflecting a discount of approximately RM321 to the foregoing NA for the purposes of computing a whole number of Shares to be issued pursuant to the foregoing acquisition. The acquisition of VTCS was completed on [●].

Following the completion of the Acquisitions, our issued share capital increased from 2 Shares to 294,000,000 Shares.

**6. INFORMATION ON OUR GROUP (CONT'D)****6.4 DETAILS OF OUR SUBSIDIARIES**

As at the LPD, the details of our Subsidiaries are as follows:

<b>Name and registration no.</b>	<b>Date / Place of incorporation</b>	<b>Principal place of business</b>	<b>Effective equity interest (%)</b>	<b>Principal activities</b>
Vision Technology Consulting Sdn Bhd (20031019443 (621863-V))	16 July 2003 / Malaysia	Malaysia	100.00	IT
Vision Technology Consulting Pte Ltd (200510935W)	8 August 2005 / Singapore	Singapore	100.00	IT consulting and outsourcing, develop computer software

**6.4.1 Our Subsidiaries****(i) VTCM****(a) Background and history**

VTCM was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 16 July 2003 and deemed registered under the Act, under the name of Vision Technology Consulting Sdn Bhd. VTCM commenced its operations in 2003.

**(b) Principal place of business**

VTCM's principal place of business is at E-32-3A and E-32-03, Menara Suezcap 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur.

**(c) Principal activities and products/services**

VTCM is principally involved in the business of IT.

**(d) Share capital**

As at the LPD, the issued share capital of VTCM is RM2,000,000 comprising 2,000,000 ordinary shares.

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**6. INFORMATION ON OUR GROUP (CONT'D)**

The changes in VTCM's issued share capital since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Cash consideration (RM)</u>	<u>Cumulative no. of shares</u>	<u>Cumulative share capital (RM)</u>
16 July 2003	2	Cash	2	2
28 December 2005	99,998	Cash	100,000	100,000
10 February 2012	1,900,000	Otherwise than cash <sup>(1)</sup>	2,000,000	2,000,000

**Note:**

(1) *Allotted and issued pursuant to capitalisation of retained profits standing to the credit of the profit and loss account under the statement of financial position of VTCM as at 28 February 2011.*

**(e) Shareholder**

Upon completion of the Acquisitions, VTCM became our wholly-owned subsidiary.

**(f) Subsidiary or associated company**

VTCM does not have any subsidiary or associated company as at the LPD.

**(ii) VTCS****(a) Background and history**

VTCS was incorporated in Singapore under the Singapore Companies Act 1967 as a private limited company on 8 August 2005, under the name of Vision Technology Consulting Pte Ltd. VTCS commenced its operations in 2005.

**(b) Principal place of business**

VTCS does not currently have a business address as the operations are carried out remotely. The registered address of VTCS is 1, North Bridge Road, #19-09, High Street Centre, Singapore 179094.

**(c) Principal activities and products/services**

VTCS is principally involved in the business of IT consulting and outsourcing, develop computer software.

**(d) Share capital**

As at the LPD, the issued share capital of is SGD25,000 comprising 25,000 ordinary shares.

**6. INFORMATION ON OUR GROUP (CONT'D)**

The changes in VTCS's issued share capital since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Cash consideration (SGD)</u>	<u>Cumulative no. of shares</u>	<u>Cumulative share capital (SGD)</u>
8 August 2005	100	Cash	100	100
5 September 2007	24,900	Cash	25,000	25,000

**(e) Shareholder**

Upon completion of the Acquisitions, VTCS became our wholly-owned subsidiary.

**(f) Subsidiary or associated company**

VTCS does not have any subsidiary or associated company as at the LPD.

**6.5 PUBLIC TAKE-OVERS**

None of the following has occurred during the last financial year up to the LPD:

- (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 company's shares.

**6.6 MATERIAL INVESTMENTS AND DIVESTITURES**

Save as disclosed below, there are no material investments made by us for the Financial Years Under Review and up to the LPD:

<u>Description</u>	<u>FYE 31 August</u>			<u>Up to the LPD</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Right-of-use assets	93 <sup>(1)</sup>	-	-	
Computers	27	42	113	20
Furniture and fittings	9	11	-	
Office equipment	*	15	7	1
Renovation	5	389	-	
<b>Total</b>	<b>134</b>	<b>457</b>	<b>120</b>	<b>21</b>

**Notes:**

\* *Negligible*

(1) *Arising from the additional costs incurred for the purchase of leasehold building, namely the D-07-3A KL Gateway Property.*

The above material investments were financed primarily by internally generated funds.

There were no material capital divestitures and write-offs made by us for the Financial Years Under Review and up to the LPD.

As at the LPD, we do not have any material capital expenditures currently in progress, within or outside Malaysia.

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**6. INFORMATION ON OUR GROUP (CONT'D)**

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**6.7 MATERIAL CONTRACTS**

Save as disclosed below, our Group has not entered into any material contract which is not in the ordinary course of our Group's business within the Financial Years Under Review and up to the date of this Prospectus:

- (i) Conditional share sale agreement dated 7 February 2024 entered into between our Company and the VTCM Vendors for the Acquisition of VTCM. The foregoing transaction has been completed on [●]. Please refer to the Section 6.3 of the Prospectus for further details of the foregoing transaction.
- (ii) Conditional share sale agreement dated 7 February 2024 entered into between our Company and the VTCS Vendor for the Acquisition of VTCS. The foregoing transaction has been completed on [●]. Please refer to the Section 6.3 of the Prospectus for further details of the foregoing transaction.
- (iii) Underwriting agreement dated [●] entered into between our Company and Kenanga IB for the underwriting of up to 29,400,000 Issue Shares under the Public Issue.

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## 6. INFORMATION ON OUR GROUP (CONT'D)

### 6.8 MATERIAL PROPERTIES

#### 6.8.1 Owned properties

As at the LPD, we own the following properties:

No.	Registered owner	Title / Postal address	Tenure	Description / Existing use	Date of CF / CCC	Land area / Built-up area (approximate)	Category of land use / Express condition / Restriction in interest	Material encumbrances	NBV as at 31 August 2023 (RM'000)
1.	VTCM	<b>Title</b> Geran 253663 No. Bangunan M1-A, No. Tingkat 4, No. Petak 19, Lot 47593, Mukim Dengkil, Daerah Sepang, Negeri Selangor  <b>Postal address</b> Unit No. 4800-3-1, Block 4800, CBD Perdana, Jalan Perdana 63000 Cyberjaya, Selangor	Freehold	<b>Description</b> 1 unit retail/corporate office located on the 3 <sup>rd</sup> floor of a 5-storey stratified shop/office  <b>Existing use</b> Rented out to third party as office	<b>CCC</b> 4 October 2006 <sup>(3)</sup>	<b>Land area</b> N/A  <b>Built-up area</b> 1,733 sq ft	<b>Category of land use</b> Building  <b>Express condition</b> Business Building  <b>Restriction in interest</b> The land shall not be transferred, leased or charged without the consent of the state authority.	None.	624
2.	VTCM	<b>Title</b> PN11813 No. Bangunan M1-A, No. Tingkat 11, No. Petak 613, Lot 54, Mukim Bandar Sunway, Daerah Petaling, Negeri Selangor  <b>Postal address</b> Unit No. 1119, Block A4, Pusat Perdagangan Setia	Leasehold of 99 years expiring on 17 July 2091	<b>Description</b> 1 unit office located on the 11 <sup>th</sup> Floor of a 12-storey office building  <b>Existing use</b> External meeting space for our Group	<b>CF</b> 16 September 1999	<b>Land area</b> N/A  <b>Built-up area</b> 614 sq ft	<b>Category of land use</b> Building  <b>Express condition</b> Business Building  <b>Restriction in interest</b> The land shall not be transferred, leased or charged without the consent of the state authority.	None.	161

**6. INFORMATION ON OUR GROUP (CONT'D)**

<u>No.</u>	<u>Registered owner</u>	<u>Title / Postal address</u>	<u>Tenure</u>	<u>Description / Existing use</u>	<u>Date of CF / CCC</u>	<u>Land area / Built-up area (approximate)</u>	<u>Category of land use / Express condition / Restriction in interest</u>	<u>Material encumbrances</u>	<u>NBV as at 31 August 2023 (RM'000)</u>
3.	VTCM	<p>Jaya, No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor</p> <p><b>Title</b> PN11813 No. Bangunan M1-B, No. Tingkat 10, No. Petak 911, Lot 54, Mukim Bandar Sunway, Daerah Petaling, Negeri Selangor</p> <p><b>Postal address</b> Unit No. 1007, Block B2, Pusat Perdagangan Setia Jaya, No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor</p>	Leasehold of 99 years expiring on 17 July 2091	<p><b>Description</b> 1 unit office located on the 10<sup>th</sup> floor of a 10-storey office building</p> <p><b>Existing use</b> Rented out as an office<sup>(1)</sup></p>	CF 4 October 1999	<p><b>Land area</b> N/A</p> <p><b>Built-up area</b> 850 sq ft</p>	<p><b>Category of land use</b> Building</p> <p><b>Express condition</b> Business Building</p> <p><b>Restriction in interest</b> The land shall not be transferred, leased or charged without the consent of the state authority.</p>	None.	264
4.	VTCM	<p>PN11813 No. Bangunan M1-B, No. Tingkat 10, No. Petak 910, Lot 54, Mukim Bandar Sunway, Daerah Petaling, Negeri Selangor</p> <p><b>Title</b></p> <p><b>Postal address</b> Unit No. 1009, Block B2, Pusat Perdagangan Setia</p>	Leasehold of 99 years expiring on 17 July 2091	<p><b>Description</b> 1 unit office located on the 10<sup>th</sup> Floor of a 10-storey office building</p> <p><b>Existing use</b> Rented out as an office<sup>(1)</sup></p>	CF 4 October 1999	<p><b>Land area</b> N/A</p> <p><b>Built-up area</b> 753 sq ft</p>	<p><b>Category of land use</b> Building</p> <p><b>Express condition</b> Business Building</p> <p><b>Restriction in interest</b> The land shall not be transferred, leased or charged without the consent of the State Authority.</p>	None.	236

**6. INFORMATION ON OUR GROUP (CONT'D)**

<u>No.</u>	<u>Registered owner</u>	<u>Title / Postal address</u>	<u>Tenure</u>	<u>Description / Existing use</u>	<u>Date of CF / CCC</u>	<u>Land area / Built-up area (approximate)</u>	<u>Category of land use / Express condition / Restriction in interest</u>	<u>Material encumbrances</u>	<u>NBV as at 31 August 2023 (RM'000)</u>
5.	Suez Domain Sdn Bhd <sup>(2)</sup>	<b>Title</b> PN 51531, No. Bangunan M1C, No. Tingkat 10, No. Petak 745, Lot 480578, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Persekutuan Kuala Lumpur  <b>Postal address</b> D-07-03, Menara Suezcap 1, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur	Leasehold of 99 years expiring on 11 April 2111	<b>Description</b> 1 unit office located on the 7 <sup>th</sup> Floor of a 42 storey office building  <b>Existing use</b> Rented out to third parties as office	<b>Partial CCC</b> 9 January 2017	<b>Land area</b> N/A  <b>Built-up area</b> 1,700 sq ft	<b>Category of land use</b> Building  <b>Express condition</b> Office  <b>Restriction in interest</b> The land shall not be transferred, leased or charged without the consent of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur.	Charged to Public Bank Berhad <sup>(4)</sup>	1,415
6.	Suez Domain Sdn Bhd <sup>(2)</sup>	<b>Title</b> PN 51531, No. Bangunan M1C, No. Tingkat 10, No. Petak 746, Lot 480578, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah	Leasehold of 99 years expiring on 11 April 2111	<b>Description</b> 1 unit office located on the 7 <sup>th</sup> Floor of a 42 storey office building  <b>Existing use</b> Rented out to third parties as office	<b>Partial CCC</b> 9 January 2017	<b>Land area</b> N/A  <b>Built-up area</b> 1,200 sq ft	<b>Category of land use</b> Building  <b>Express condition</b> Office  <b>Restriction in interest</b> The land shall not be transferred, leased or charged without the consent of	Charged to Public Bank Berhad <sup>(4)</sup>	1,008

**6. INFORMATION ON OUR GROUP (CONT'D)**

<u>No.</u>	<u>Registered owner</u>	<u>Title / Postal address</u>	<u>Tenure</u>	<u>Description / Existing use</u>	<u>Date of CF / CCC</u>	<u>Land area / Built-up area (approximate)</u>	<u>Category of land use / Express condition / Restriction in interest</u>	<u>Material encumbrances</u>	<u>NBV as at 31 August 2023 (RM'000)</u>
		Persekutuan Kuala Lumpur  <b>Postal address</b> D-07-3A, Menara Suezcap 1, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur					Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur.		
7.	Suez Domain Sdn Bhd <sup>(2)</sup>	<b>Title</b> PN 51531, No. Bangunan M1D, No. Tingkat 35, No. Petak 1163, Lot 480578, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur  <b>Postal address</b> E-32-3a, Menara Suezcap 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur	Leasehold of 99 years expiring on 11 April 2111	<b>Description</b> 1 unit office located on the 32 <sup>nd</sup> floor of a 38 storey office building  <b>Existing use</b> Headquarters of our Group	<b>Partial CCC</b> 30 November 2017	<b>Land area</b> N/A  <b>Built-up area</b> 1,200 sq ft	<b>Category of land use</b> Building  <b>Express condition</b> Office  <b>Restriction in interest</b> The land shall not be transferred, leased or charged without the consent of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur.	Charged to Public Bank Berhad <sup>(4)</sup>	1,276

**6. INFORMATION ON OUR GROUP (CONT'D)**

No.	Registered owner	Title / Postal address	Tenure	Description / Existing use	Date of CF / CCC	Land area / Built-up area (approximate)	Category of land use / Express condition / Restriction in interest	Material encumbrances	NBV as at 31 August 2023 (RM'000)
8.	Suez Domain Sdn Bhd <sup>(2)</sup>	<b>Title</b> PN 51531, No. Bangunan M1D, No. Tingkat 35, No. Petak 1162, Lot 480578, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur  <b>Postal address</b> E-32-03, Menara Suezcap 2, KL Gateway, No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, 59200 Kuala Lumpur	Leasehold of 99 years expiring on 11 April 2111	<b>Description</b> 1 unit office located on the 32 <sup>nd</sup> Floor of a 38 storey office building  <b>Existing use</b> Headquarters of our Group	<b>Partial CCC</b> 30 November 2017	<b>Land area</b> N/A  <b>Built-up area</b> 1,700 sq ft	<b>Category of land use</b> Building  <b>Express condition</b> Office  <b>Restriction in interest</b> The land shall not be transferred, leased or charged without the consent of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur.	Charged to Public Bank Berhad <sup>(4)</sup>	1,808

**Notes:**

- (1) Our Group's property at Block B of Pusat Dagangan Setia Jaya, being Unit No. 1007 and 1009, Block B2, Pusat Perdagangan Setia Jaya, No. 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor Darul Ehsan, are currently rented out to a related party, being Petbacker Sdn Bhd via a tenancy agreement dated 1 September 2023 for a monthly rental of RM2,400. The period of tenancy is 3 years with no option to renew. See Section 10 of this Prospectus for further details regarding the related party transaction.
- (2) Suez Domain Sdn Bhd, being the developer of the KL Gateway properties, had via letters of notification dated 21 August 2023 and email dated 4 October 2023 notified our Group of the successful subdivision and issuance of the individual strata title of the properties. As at the LPD, the transfer of the property has not been effected and are still in the process of being registered.

**6. INFORMATION ON OUR GROUP (CONT'D)**

(3) Renovations were conducted on the following property of our Group without approval from the local authority. Our Group had taken the following steps to regularise the renovations:

**Nature of non-compliance** Pursuant to the relevant laws under the Street, Drainage and Building Act 1974, our Group is required to obtain relevant local authority approval in relation to renovations carried out on its interior of its premises. Our Group had previously carried out renovations of its CBD Perdana Property without obtaining the relevant approvals from the relevant local authority, the details of which are as follows:

CBD Perdana Property	Erection of partitions/internal renovation without written permission
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Our Group, upon its application to regularise the renovations, was informed by the relevant local authority that a new CCC is required for the renovations carried out on the CBD Perdana Property.

**Status as at the LPD** As at the LPD, our Group had, on 26 September 2023, submitted the updated building plans of our Group's properties to regularise the internal renovations in the properties listed above to the relevant local authorities. As at the LPD, our Group had obtained a special permission notice dated 28 November 2023 for the renovations carried out on CBD Perdana Property. Currently, our Group is pending the official approval and inspections from the relevant local authorities and the fire and rescue department prior to the issuance of the CCC in connection with the renovations.

**Estimated time and cost for rectification** The estimated time and cost for rectifications are as follows:

<b>Property</b>	<b>Estimated time to obtain CCC</b>	<b>Estimated cost for the rectification<sup>(1)</sup> (RM)</b>
CBD Perdana Property	End of July 2024	270

**Note:**

(1) Estimated cost of the rectification mainly consists of the application cost to the respective local authority for the CBD Perdana Property. Our Group has engaged an architect to facilitate the approval process with local authorities and fire and rescue departments. This cost incurred excludes the architect's professional services fee amounting to RM29,000.00 which also encompasses services for our Group's other properties.

**Potential maximum penalty** Pursuant to By-law 28 of the Uniform Building By-laws 1984 and Sections 70(27)(f) and 72 of the Street Drainage and Building Act 1974 as amended by the Street, Drainage and Building (Amendment) Act 2007, our Group may be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years for occupying or permits to be occupied the CBD Perdana Property without a CCC.

## 6. INFORMATION ON OUR GROUP (CONT'D)

*Our Group may be liable on conviction to a fine not exceeding RM250 for every day that the offence is continued after expiry of the period specified in the notice where the local authority is satisfied that the Premises have been erected in contravention of Section 70 of the Street Drainage and Building Act 1974.*

**Impact to business operations or financial conditions**

*No material impact to our Group's business operations and financial condition due to the following:*

- (i) The maximum penalty that may be imposed for the CBD Perdana Property is RM250,000 which is approximately 2.87% of our Group's PBT for FYE 2023. In the event our Group receives the notice where the local authority is satisfied that the premise has been erected in contravention of Section 70 of the Street Drainage and Building Act 1974, our Group will use its best endeavor to ensure compliance prior to the expiry of the period specified in the notice;*
- (ii) The CBD Perdana Property is not used by our Group for its operation and is currently rented out to a third party; and*
- (iii) The total net book value of the CBD Perdana is RM0.62 million which is approximately 2.50% of our Group's total asset value as at 31 August 2023.*

*(4) A charge will be created in favour of Public Bank Berhad upon completion of the transfer of the individual strata titles to VTCM.*

### 6.8.2 Rented properties

As at the LPD, our Group does not rent any properties from any party.

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