

### 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 ON WHETHER TO INVEST IN OUR SHARES.**

#### 3.1 PRINCIPAL DETAILS OF OUR IPO

Subject to the terms and conditions of this Prospectus and the clawback and reallocation provisions as set out in **Section 4.2.6** of this Prospectus, our IPO consists of a total of 278,400,000 IPO Shares, representing 30% of our enlarged issued share capital comprising:

- (a) the Institutional Offering at the Institutional Price; and
- (b) the Retail Offering at the Retail Price subject to adjustment as detailed in **Section 4.3** of this Prospectus.

The Public Issue will increase our issued share capital from RM397,336,941 comprising 736,900,000 Shares to RM[●] comprising 928,000,000 Shares. Based on the Retail Price of RM[●] per IPO Share, the total market capitalisation of our Company will be RM[●] upon Listing. The pro forma combined NA per Share as at 31 December 2023 after the IPO and use of proceeds will be RM[●].

Our IPO Shares will be allocated in the following manner:

Category	Offer for Sale		Public Issue		Total IPO Shares	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
<b>Institutional Offering:</b>						
- Bumiputera investors approved by MITI	-	-	116,000,000	12.50	116,000,000	12.50
- Institutional and selected investors	87,300,000	9.41	28,099,900	3.03	115,399,900	12.44
<b>Sub-total</b>	<b>87,300,000</b>	<b>9.41</b>	<b>144,099,900</b>	<b>15.53</b>	<b>231,399,900</b>	<b>24.94</b>
<b>Retail Offering:</b>						
<u>Eligible Persons</u>						
- Eligible employees of our Group	-	-	1,823,200	0.20	1,823,200	0.20
- Persons who have contributed to the success of our Group	-	-	26,616,900	2.86	26,616,900	2.86
<u>Malaysian Public (via balloting)</u>						
- Bumiputera	-	-	9,280,000	1.00	9,280,000	1.00
- Non-Bumiputera	-	-	9,280,000	1.00	9,280,000	1.00
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>47,000,100</b>	<b>5.06</b>	<b>47,000,100</b>	<b>5.06</b>
<b>Total</b>	<b>87,300,000</b>	<b>9.41</b>	<b>191,100,000</b>	<b>20.59</b>	<b>278,400,000</b>	<b>30.00</b>

**Note:**

(1) Calculated based on our enlarged number of 928,000,000 Shares after our IPO.

Please refer to **Section 4** of this Prospectus for further details of our IPO.

The entire shareholdings of PKYap Holdings, PKYap Family Capital, Datuk Yap, Datin Loh, Datuk Jacky Yap, Datuk Sean Yap and Yap Lih Shyan will be held under moratorium for a period of six months from the date of our Listing. In addition, the shareholders of PKYap Holdings, namely Datuk Yap and Datin Loh and the shareholders of PKYap Family Capital, namely Datuk Yap, Datin Loh, Datuk Jacky Yap, Datuk Sean Yap and Yap Lih Shyan, have also undertaken that they will not sell, transfer or assign any of their respective holdings in PKYap Holdings and PKYap Family Capital which are not listed respectively for six months from the date of our Listing. Please refer to **Section 2.2** of this Prospectus for further details of the moratorium on our Shares.

### 3. PROSPECTUS SUMMARY (Cont'd)

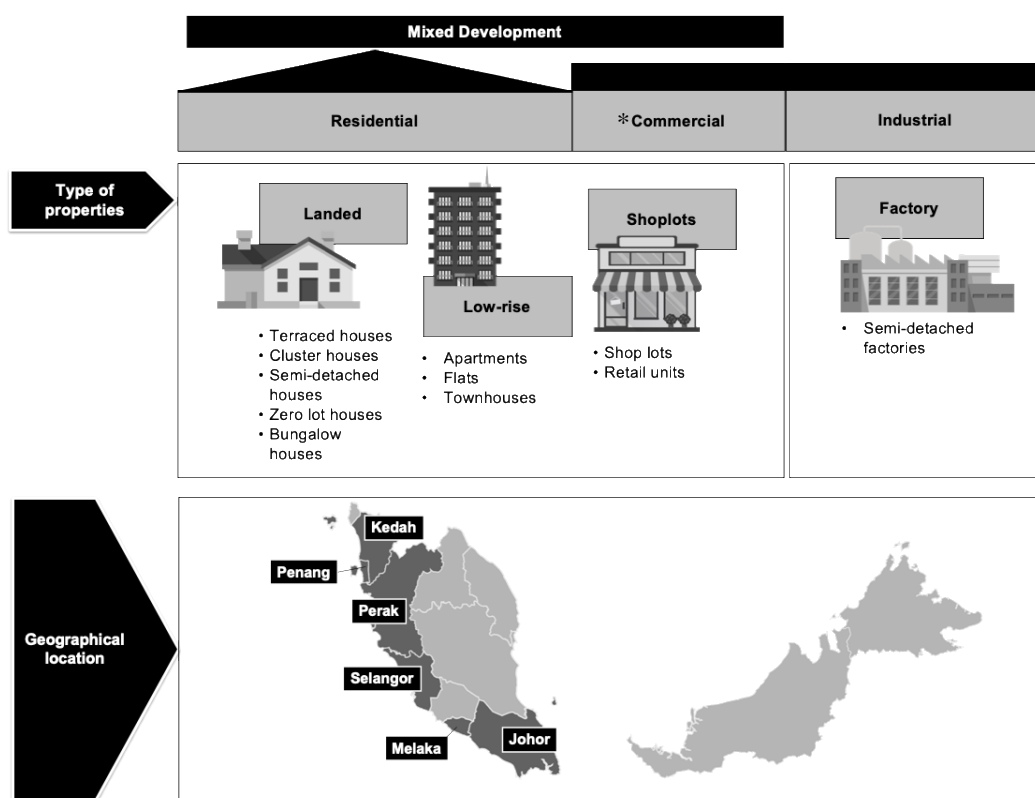
#### 3.2 BACKGROUND AND OVERVIEW

Our Company was incorporated in Malaysia under the Act on 6 October 2022 as a private limited company under the name of SPB Development Sdn Bhd. On 9 August 2024, our Company was converted into a public limited company and assumed its present name, SPB Development Berhad.

Our Company is principally an investment holding company. Through our Subsidiaries, we are primarily involved in the property development business in Malaysia whereby we develop and sell residential, mixed development and industrial properties.

Please refer to **Section 6.5** of this Prospectus for more details of the principal activities of our Subsidiaries.

Our business model is as follows:



**Note:**

\* We have been involved in the development of residential, mixed development and industrial properties since the commencement of our business. During the Period Under Review, the commercial properties development is to complement the residential development as part of the overall township development strategy of our Group.

Currently, the type of our developments by location is as follows:

Location	Type of property developments
Melaka	Residential development.
Johor	Mixed development. As at the LPD, our ongoing development for Taman Akasia consists of residential properties and planned commercial properties. We owned landbank measuring approximately 16.43 acres which has been zoned for commercial properties.
Selangor	Residential development.
Kedah	Mixed development. As at the LPD, our ongoing development for Taman La Casa Lunas consists of residential properties. We owned landbank measuring approximately 17.51 acres which has been zoned for commercial properties.

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

Our Group owns landbank in Penang and Perak, and currently we have yet to carry out any development in Penang and Perak.

Moving forward, our plan is to focus on residential and mixed development. The commercial properties development will complement the residential development as part of the overall township development strategy of our Group. Our unique product positioning emphasizes offering affordable homes that cater to the needs of the mass market, providing an attainable path to homeownership. Our only industrial development represents revenue generated from the sale of the completed semi-detached factories in FYE 2021 and FYE 2023, which have been fully sold.

Please refer to **Section 7.3.2** of this Prospectus for further information on our completed developments, on-going developments, future developments and our landbank for future developments.

The breakdown of our Group's revenue by principal activities during the Period Under Review are as follows:

	Audited					
	FYE 2021		FYE 2022		FYE 2023	
	RM'000	%	RM'000	%	RM'000	%
<b>Property development:</b>						
- Residential	48,069	45.97	40,205	26.77	26,614	13.25
- Industrial	4,570	4.37	-	-	6,170	3.07
- Mixed development						
- Residential	49,259	47.11	97,682	65.05	167,420	83.38
<b>Subtotal</b>	<b>101,898</b>	<b>97.45</b>	<b>137,887</b>	<b>91.82</b>	<b>200,204</b>	<b>99.70</b>
<b>Others:</b>						
- Construction services	2,665	2.55	12,281	8.18	-	-
- Sale of land	-	-	-	-	606	0.30
<b>Subtotal</b>	<b>2,665</b>	<b>2.55</b>	<b>12,281</b>	<b>8.18</b>	<b>606</b>	<b>0.30</b>
<b>Total revenue</b>	<b>104,563</b>	<b>100.00</b>	<b>150,168</b>	<b>100.00</b>	<b>200,810</b>	<b>100.00</b>

Please refer to **Section 12.3.3.1** of this Prospectus for the analysis of our Group's revenue by activities and by geographical locations and developments.

**3.3 COMPETITIVE STRENGTHS**

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

- (i) **a sizeable pipeline of on-going and future developments, with an estimated GDV of approximately RM389 million and RM956 million respectively.** Our on-going developments with an estimated GDV of approximately RM389 million are located in Melaka, Kedah and Johor which mainly comprise of residential properties and are expected to sustain our Group for approximately 3 years until 2027 while our future developments with an estimated GDV of approximately RM956 million are located in Melaka, Selangor, Johor and Kedah which also comprise of residential properties and estimated to sustain our Group for approximately 8 years until 2032;
- (ii) **our undeveloped landbank of approximately 664 acres as at the LPD reserved for future developments and we are in the process of acquiring the Plentong Land measuring approximately 187 acres.** Our undeveloped landbanks are located in Melaka (39.75 acres), Johor (89.00 acres), Kedah (23.87 acres), Selangor (120.21 acres), Perak (199.96 acres) and Penang (191.51 acres). This is in line with our aim to acquire or develop strategic landbanks located near established industrial area and key economic centres at reasonable prices to increase our landbanks when the opportunity arises;

### 3. PROSPECTUS SUMMARY (Cont'd)

- (iii) **a proven track record of approximately 31 years with our ability to attract property buyers.** We have been involved in the property development industry in Malaysia for approximately 31 years since 1993 and have established ourselves as a reputable residential property developer in Melaka. Over the years, we have expanded our operations and property development portfolio beyond Melaka, encompassing Selangor, Kedah and Johor. The majority of our completed and ongoing developments have received positive market acceptance from individual buyers or companies as reflected by the take-up rate of our properties in Melaka and Kedah. The positive reception towards our developments is primarily due to our reputation built over the past 31 years as a property developer, unique product positioning offering affordable homes catering to needs of the mass market, design excellence, our extensive experience that instils confidence in prospective buyers and our commitment to deliver quality properties to buyers;
- (iv) **an experienced and hands-on Non-Independent Executive Chairman, Directors and Key Senior Management to lead and manage the business operations.** Our founder and Non-Independent Executive Chairman, Datuk Yap has contributed significantly to our Group's growth and development through his experience, and he is supported by our Key Senior Management who have strong industry and functional expertise. Our Key Senior Management has established networks of business contacts that have assisted us in acquiring landbanks, planning and completing our developments; and
- (v) **adoption of IBS and engagement of consultants utilising BIM software in our property developments enhance efficiency and quality.** We have adopted IBS by incorporating the usage of aluminium formwork in the construction of our property developments which offers several benefits, including rapid assembly and dismantling, reduced labour and material costs due to its lightweight nature, improved quality and consistency in concrete finishing. In addition, we engage third party civil and structural engineers during development planning stage where they utilise BIM software to perform comprehensive analysis on the proposed development concept and to minimise the risk of rework and delays in order to achieve optimised outcomes for our property development.

Please refer to **Section 7.8** of this Prospectus for more details of our competitive strengths.

### 3.4 BUSINESS STRATEGIES AND FUTURE PLANS

Our Group intends to undertake the following business strategies and future plans:

- (i) **Expansion through acquisition of landbank(s) and/or joint venture arrangement(s)**

We plan to use RM[●] million, representing [●]% of the proceeds to be raised from our Public Issue to expand or replenish our landbank for future development projects, either by direct purchase and/or through joint venture arrangements, where these landbanks may have obtained the necessary planning and development consents. We aim to acquire strategic landbanks located near established industrial areas and key economic centres at reasonable prices to increase our landbanks when the opportunity arises. Subject to outcomes of feasibility studies, our Group will also consider joint venture with potential landowners to develop and/or invest in land, such as in Selangor, Penang, Kedah, Melaka and Johor, where these areas are targeted for potential future residential and mixed development, supported by well-established infrastructure and amenities.

### 3. PROSPECTUS SUMMARY (Cont'd)

#### (ii) Strengthening our market presence in Melaka, Kedah, Selangor and Johor and expanding our footprint in Penang

Our Group has been primarily involved in the property development in Melaka and we expanded to mixed development projects in other states in 2019. After considering the take-up rate for our properties and our understanding of the property markets in Melaka, Kedah, Selangor and Johor, we are committed to further strengthening our market presence in these states, by completing the development of both on-going and future phases. As mentioned in **Annexure F** and **Section 7.16.1** of this Prospectus, in January 2024, we have completed the land acquisitions in Seberang Perai, Penang and as at the LPD, we are in the midst of submitting the planning permission. As we target to strengthen our presence in Melaka, Kedah, Selangor and Johor as well as expanding our footprint in Penang, we intend to fund our ongoing and future developments in these states through a combination of internally generated funds and/or bank borrowings and/or IPO proceeds.

#### (iii) Purchase of aluminium formwork

We have allocated RM[●] million, representing [●]% of the proceeds to be raised from our Public Issue to partly fund the purchase of aluminium formwork to support the construction of our future developments in Banting, Selangor and Seberang Perai Utara, Penang. The aluminium formwork serves as a solution that allows all building components including walls, floor slabs, stairs, columns and beams to be cast in a single operation, facilitating the construction process. The use of aluminium formwork in our property developments has benefited us by reducing labour and material costs while improving the quality and consistency of the concrete finishing.

Please refer to **Section 7.16** of this Prospectus for more details of our business strategies and future plans.

### 3.5 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** of this Prospectus. The key risks relating to our Group's business and operations are summarised as follows:

- (i) **We are subject to the prevailing market conditions in the property market in Malaysia.** A downturn in the Malaysian economy could reduce consumer confidence and purchasing power, affecting the overall property demand and market performance. A weak market sentiment may influence our development planning including property types, pricing strategies and project launch timings, potentially affecting our business operations, financial performance and prospects;
- (ii) **We are exposed to unexpected interruptions or delays in project completion caused by external factors, including natural disasters or sudden crisis.** The timely completion of our property developments and the progress of construction can be affected by external factors inherent to property development, some of which are beyond our control. These factors include delays in receiving regulatory approvals, licences and permits, availability of labour, equipment and construction materials, availability of financing and the timely appointment of architects, professional consultants and contractors. Any prolonged interruption or delay in completion of a phase of property development may result in LAD claims by property buyers, which may affect our financial performance. In FYE 2023, we have made a provision for LAD of RM10.37 million for Taman La Casa Lunas (Phases 3A, 3B and 2) and Taman Nuri (Phase 3B2) as these phases experienced delays in construction and delivery of vacant possession;

### 3. PROSPECTUS SUMMARY (Cont'd)

- (iii) **We may face unanticipated cost increases for property developments.** Any unforeseen spikes or persistent increases in construction costs may strain our contractors' cash flow and their ability to secure the necessary resources. Prolonged situations persisting may affect our contractors' capacity to carry out construction works which could delay the completion of construction works, and impacting our property delivery schedules, billing schedules, market reputation, sales performance and profit margins. Our cash flows and profitability are dependent on accurate cost estimation and management throughout the development period. These costs may be influenced by various factors such as lower quality or delays in construction, unexpected site conditions, higher construction material and labour costs and financing delays. Any cost overrun of the property developments may adversely affect our profitability, cash flows and results of operations;
- (iv) **Our capital-intensive business depends on our ability to secure adequate financing.** As a property developer, we rely on internally generated funds and external borrowings such as term loans, bank guarantees and bank overdrafts to fund our working capital requirements and partially finance land acquisitions. Our business is dependent on secure adequate financing at competitive rates. If we are unable to obtain such credit facilities, our cash flows, results of operations, business strategies and future plans may be adversely affected. There is also a risk of simultaneous demand for immediate repayment of short-term credit facilities and tighter loan terms due to unfavourable market conditions or other factors, which may materially affect our cash flows, working capital, and consequently, on our financial performance and prospects;
- (v) **We may not be able to identify and acquire suitable landbank to sustain our business operations and financial performance.** As a property developer, we rely on our existing landbank and our ability to identify and acquire land with development potential to ensure sustainable business operations and financial performance. Furthermore, we may face the risk of acquiring land with issues such as ownership conflicts, environmental concerns or feasibility problems. Unforeseen adverse land issues could lead to increased development costs, potentially compelling us to increase our properties' selling prices to maintain our desired returns. If we are unable to increase our properties' selling prices, the increase in our development costs could strain our budget and adversely affect the profitability of our developments. Failure to identify and acquire suitable landbank in strategic locations may affect our ability to launch new developments, which could adversely affect our business operations, results of operations and prospects;
- (vi) **We may achieve lower-than-estimated GDV for our property developments.** The GDVs of our on-going and future developments are estimated based on forecasts, projections and market conditions prevailing at the time taking in consideration of factors such as the supply and demand for properties, the economic growth rate and interest rates. We may achieve lower-than estimated GDV for our property developments if unfavorable changes to the assumptions and forecasts underlying these estimates such as changes in township planning by the authorities, construction of a highway that cuts into our development area; or removal or cancellation of proposed amenities and infrastructure. Any such changes could prevent us from realising the projected GDV and could adversely affect our results of operations and financial performance;
- (vii) **We rely on contractors for timely completion and quality of our property developments.** We may face risks associated with our contractors such as health and safety practices, potential delays leading to suspension of works, fines from the authorities or LAD claims against us. In addition, if our contractors are unable to meet our quality expectations, it may adversely affect our market reputation and our properties' sales. Any revocation of letters of award or termination of contracts without timely replacement may delay completion and handover of properties to buyers. While we can impose a penalty on our contractors, there can be no assurance that we can fully recover the compensation, and may be required to absorb some or all of the associated losses, which may affect project delivery schedules, profitability and market reputation, and adversely affect our financial performance and prospects;

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

- (viii) **We may not be able to sustain our growth rate and our financial performance.** Our revenue grew by a CAGR of 38.58% in revenue from RM104.56 million in FYE 2021 to RM200.81 million in FYE 2023, while our PAT grew by a CAGR of 36.58% from RM24.67 million in FYE 2021 to RM46.02 million in FYE 2023. If we are unable to maintain adequate revenue and profit growth, our financial position could also be adversely affected. If we fall short in managing our growth effectively, we may not be able to capitalise on market opportunities or execute our business strategies and future plans.
- (ix) **We may be involved in legal and other proceedings related to our business operations from time to time.** We may face disputes with various parties including landowners, joint venture partners, suppliers, contractors, sub-contractors, consultants and customers in the sale of our properties from time to time. These disputes and claims could lead to legal or other proceedings against our Group, with unfavourable rulings potentially resulting in additional costs, delays and/or financial losses. We are unable to give any assurance that disputes and claims will be resolved favourably for our Group and that any resulting litigation, arbitration or other proceeding against us such as judgement, order or award will not adversely affect our business operations, financial condition, prospects and reputation; and
- (x) **We are subject to the risk of defect liability claims from our property buyers.** The defect liability period begins from the delivery date of vacant possession to property buyers. In the event of any defects arise during the defect liability period, we will bear the rectification expenses to repair and make good all identified defects. Any material rectification costs incurred or claims made could adversely affect our financial performance.
- (xi) **We are dependent on Desa Johan Sdn Bhd, being one of our major suppliers** for construction services for our property developments. In the event we appoint other main building contractors that provide similar construction services as Desa Johan Sdn Bhd, it may result in higher construction cost which may lead to lower profit margins.

**3.6 DIRECTORS AND KEY SENIOR MANAGEMENT**

Our Directors are as follows:

<b>Name</b>	<b>Designation</b>
Datuk Yap	Non-Independent Executive Chairman
Datuk Jacky Yap	Non-Independent Executive Director/ Chief Executive Officer
Yap Lih Shyan	Non-Independent Executive Director/ Chief Operating Officer
Dato' Asmuni Bin Sudin	Senior Independent Non-Executive Director
Dr. Yan Huey Jiuan	Independent Non-Executive Director
Oh Ai Sim	Independent Non-Executive Director

Our Key Senior Management are as follows:

<b>Name</b>	<b>Designation</b>
Datuk Jacky Yap	Chief Executive Officer
Datuk Sean Yap	Chief Financial Officer
Yap Lih Shyan	Chief Operation Officer
Umah Jeralene A/P Louis Adaikalasamy	Head of Project Development and Authorities Liaison
Siew Weng Yen	Head of Project Management and Contract
Soh Kok Hwa	Head of Sales, Marketing and Customer Relationship
Siew Li Sum	Head of Finance and Credit Administration

Please refer to **Sections 5.2 and 5.3** of this Prospectus for more details of our Directors and Key Senior Management.

### 3. PROSPECTUS SUMMARY (Cont'd)

#### 3.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The details of our Promoters and substantial shareholders, and their respective shareholdings in our Company before our IPO and after the Acquisitions and after the Share Transfer and our IPO are as follows:

Name	Country of incorporation / Nationality	Before our IPO and after the Acquisitions				After the Share Transfer				After our IPO			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(3)%
PKYap Family Capital	Malaysia	-	-	-	-	83,520,000	11.33	-	-	83,520,000	9.00	-	-
PKYap Holdings	Malaysia	-	-	-	-	473,280,000	64.22	-	-	473,280,000	51.00	-	-
Datuk Yap	Malaysian	736,850,220	99.99	(4)25,494	*	105,860,000	14.37	(5)593,920,000	80.60	18,560,000	2.00	(5)593,920,000	64.00
Datin Loh	Malaysian	1,208	*	-	-	18,560,000	2.52	(6)83,520,000	11.33	18,560,000	2.00	(6)83,520,000	9.00
Datuk Jacky Yap	Malaysian	24,286	*	-	-	18,560,000	2.52	(6)83,520,000	11.33	18,560,000	2.00	(6)83,520,000	9.00
Datuk Sean Yap	Malaysian	24,286	*	-	-	18,560,000	2.52	(6)83,520,000	11.33	18,560,000	2.00	(6)83,520,000	9.00
Yap Lih Shyan	Malaysian	-	-	-	-	18,560,000	2.52	(6)83,520,000	11.33	18,560,000	2.00	(6)83,520,000	9.00

**Notes:**

\* Less than 0.01%

(1) Calculated based on the number of 736,900,000 Shares before our IPO and after the Acquisitions, details of which are set out in **Section 6.3.1** of this Prospectus.

(2) Calculated based on the number of 736,900,000 Shares before our IPO and after the Acquisitions and Share Transfer.

(3) Calculated based on our enlarged number of 928,000,000 Shares after our IPO.

(4) Deemed interested by virtue of his spouse, Datin Loh's and his son, Datuk Sean Yap's interest pursuant to Section 59(11) of the Act.

(5) Deemed interested by virtue of his shareholdings in PKYap Holdings and PKYap Family Capital pursuant to Section 8 of the Act and by virtue of his spouse, Datin Loh's and his son, Datuk Sean Yap's interest pursuant to Section 59(11) of the Act.

(6) Deemed interested by virtue of his/her shareholdings in PKYap Family Capital pursuant to Section 8 of the Act.

### 3. PROSPECTUS SUMMARY (Cont'd)

#### 3.8 USE OF PROCEEDS

We expect to use the gross proceeds from the Public Issue amounting to approximately RM[●] million<sup>(1)</sup> in the following manner:

Details of utilisation	Amount	Percentage of gross proceeds	Estimated timeframe for utilisation after the Listing
	RM'000	%	
Acquisition of landbank and/or development expenditure <sup>^</sup>	[●]	[●]	Within 36 months
Working capital for future development projects	[●]	[●]	Within 24 months
Purchase of aluminium formwork	[●]	[●]	Within 24 months
Estimated listing expenses	[●]	[●]	Within 3 months
<b>Total</b>	<b>[●]</b>	<b>100.00</b>	

**Notes:**

(1) Based on the assumption that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

<sup>^</sup> We aim to acquire strategic landbanks located near established industrial areas and key economic centres at reasonable prices to increase our landbanks when the opportunity arises.

Please refer to **Section 4.6** of this Prospectus for further details of the use of proceeds arising from the Public Issue.

#### 3.9 FINANCIAL HIGHLIGHTS

The table below sets out financial highlights based on our audited combined financial statements for the Period Under Review:

	Audited		
	FYE 2021	FYE 2022	FYE 2023
	RM'000	RM'000	RM'000
Revenue	104,563	150,168	200,810
GP	42,301	61,436	81,125
Other income	902	2,994	807
PBT	32,556	51,620	61,971
PAT	24,673	39,660	46,017
PAT attributable to owners of our Company	24,673	39,660	46,017
EBITDA <sup>(1)</sup>	35,196	53,718	66,537
Total assets	454,976	419,411	486,945
Total equity / NA	287,406	329,516	371,209
Total borrowings (including lease liabilities)	14,353	27,524	50,123
Net cash flows generated from operating activities	8,871	11,525	30,166
Cash and cash equivalents at end of the financial year	(3,087)	3,166	(3,798)
GP margin <sup>(2)</sup> (%)	40.46	40.91	40.40
EBITDA margin <sup>(3)</sup> (%)	33.66	35.77	33.13
PBT margin <sup>(4)</sup> (%)	31.14	34.37	30.86
PAT margin <sup>(4)</sup> (%)	23.60	26.41	22.92
Basic and diluted EPS (sen) <sup>(5)</sup>	2.66	4.27	4.96
Current ratio <sup>(6)</sup> (times)	1.40	2.94	2.46
Gearing ratio <sup>(7)</sup> (times)	0.05	0.08	0.14
Average trade receivables turnover period <sup>(8)</sup> (days)	89	50	29
Average trade payables turnover period <sup>(9)</sup> (days)	40	25	27

**Notes:**

(1) EBITDA represents earnings before interest, taxation, depreciation and amortisation.

(2) Calculated based on respective GP for the financial years divided by revenue.

(3) Calculated based on EBITDA for the financial years divided by revenue.

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

- (4) *PBT margin and PAT margin are calculated based on the respective PBT and PAT for the financial years divided by the revenue.*
- (5) *Calculated based on PAT attributable to owners of our Company divided by enlarged issued share capital after the IPO of 928,000,000 Shares. The diluted EPS is equal to the basic EPS as no potential dilutive securities are in issue throughout the Period Under Review.*
- (6) *Computed based on current assets over current liabilities.*
- (7) *Computed based on total borrowings (including lease liabilities) over total equity.*
- (8) *Computed based on the average trade receivables (excluding stakeholders' sums) at the beginning and end of the respective financial year over the total revenue of the respective financial year and multiplied by 365 days.*
- (9) *Computed based on the average trade payables (excluding retention sum and accrued development costs) at the beginning and end of the respective financial year over the total cost of sales of the respective financial year and multiplied by 365 days.*

The financial highlights presented above should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" as set out in **Section 12.3** of this Prospectus and the Accountants' Report, together with its related notes, as set out in **Section 13** of this Prospectus.

**3.10 DIVIDEND POLICY**

It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. Our Board intends to recommend and distribute a dividend of up to 30.0% of our audited PAT of each financial year on a consolidated basis after taking into consideration anticipated future operating conditions, operating cash flow requirements, financing commitments, subject to any applicable law and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or execution and implementation of our future plans and strategies moving forward.

As we are an investment holding company, our income and ability to pay dividends are dependent upon the dividends received from our subsidiaries. For information purposes, the dividends declared and paid by our Group for the Period Under Review are as follows:

	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Dividends declared	<sup>(1)</sup> 2,080	<sup>(2)</sup> 5,028	<sup>(3)</sup> 4,324
Dividends paid	<sup>(1)</sup> -	<sup>(1)(2)</sup> 2,641	<sup>(2)</sup> 4,467
PAT attributable to our shareholders	24,673	39,660	46,017
Dividend payout ratio (%) <sup>(4)</sup>	8.43	12.68	9.40

**Notes:**

- (1) *SPBSB and Rentas Dinamik declared interim dividend totalling RM2.08 million for FYE 2021 which was fully paid in January 2022.*
- (2) *SPBSB, Rentas Dinamik and Laman Exotika declared interim dividends totalling RM5.03 million respectively for FYE 2022, where RM0.56 million was paid in September 2022 and RM4.47 million was fully paid in November 2023.*
- (3) *SPBSB and Rentas Dinamik declared interim dividend totalling RM4.32 million for FYE 2023 which was fully paid in June 2024.*
- (4) *Calculated based on dividends declared divided by PAT attributable to our shareholders of the respective financial year.*

SPBSB proposes to declare dividend of up to RM7.00 million to SPBSB's shareholders in respect of FYE 2024 to be paid out from SPBSB's internally generated funds. The dividend is expected to be paid by first quarter of 2025.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our future dividends which are subject to modifications (including non-declaration thereof) at our Board's discretion. Actual dividends proposed and declared may vary depending on the future financial performance and cash flows of our Group. Hence, no inference should or can be made from any of the statements above as to our actual future profitability and our ability to pay dividends in the future.

Please refer to **Section 12.18** of this Prospectus for further details of our dividend policy.