

**THIS CIRCULAR IS IMPORTANT AND REQUIRES SHAREHOLDERS' IMMEDIATE ATTENTION.**

**If shareholders are in any doubt as to the course of action to be taken, they should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular and valuation certificate, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever arising from or any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular and valuation certificate.



**ATTA GLOBAL GROUP BERHAD**  
(Registration No. 198101012950 (79082-V))  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

**PART A**

**PROPOSED ACQUISITION BY PARK AVENUE CONSTRUCTION SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF ATTA GLOBAL GROUP BERHAD (“ATTA” OR THE “COMPANY”), OF A PARCEL OF LAND (FORMED BY 3 ADJOINING LOTS) WHICH CONSIST OF:**

- (I) 1 PARCEL OF FREEHOLD LAND WITH TITLE NO. GRN 29012, LOT NO. 5785, MUKIM 12, DAERAH BARAT DAYA, PULAU PINANG MEASURING APPROXIMATELY 45,908 SQUARE FEET FROM LIMBONGAN BATU MAUNG SDN BHD FOR RM7,500,000;**
- (II) 1 PARCEL OF LEASEHOLD LAND WITH TITLE NO. HSD 25191, LOT NO. PT 6572, MUKIM 12, DAERAH BARAT DAYA, PULAU PINANG MEASURING APPROXIMATELY 127,961 SQUARE FEET FROM LIMBONGAN BATU MAUNG SDN BHD FOR RM9,500,000; AND**
- (III) 1 PARCEL OF LEASEHOLD LAND WITH TITLE NO. HSD 25241, LOT NO. PT 6602, MUKIM 12, DAERAH BARAT DAYA, PULAU PINANG MEASURING APPROXIMATELY 87,119 SQUARE FEET FROM UTOPIA SPAN SDN BHD FOR RM11,000,000**

**FOR A TOTAL PURCHASE CONSIDERATION OF RM28,000,000, TO BE SATISFIED VIA THE ISSUANCE OF 114,285,600 NEW ORDINARY SHARES IN ATTA AT AN ISSUE PRICE OF RM0.245 EACH**

**PART B**

**PROPOSED CHANGE OF NAME OF THE COMPANY FROM “ATTA GLOBAL GROUP BERHAD” TO “MAYU GLOBAL GROUP BERHAD”**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

Principal Adviser for Part A

**TA SECURITIES**

AN UNWAVERING COMMITMENT

**TA SECURITIES HOLDINGS BERHAD**

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

The Notice for the Extraordinary General Meeting of ATTA (“EGM”) and the Form of Proxy are enclosed in this Circular. The details of the EGM are as follows:

Date and time of the EGM	: Monday, 3 April 2023, 4.00 p.m. or at any adjournment thereof
Venue of the EGM	: The Light Hotel, Lebuhraya 2, 13700 Seberang Jaya, Pulau Pinang
Last date and time for lodging the Proxy Form	: Saturday, 1 April 2023, 4.00 p.m.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy/proxies to attend and vote on his/her behalf. If you wish to appoint a proxy, you must complete and deposit the Proxy Form in accordance with the instructions thereon so as to arrive at the Share Registrar’s office, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof either by hand, post, courier or electronic mail to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com). Alternatively, the Form of Proxy can be submitted by electronic means through the Share Registrar’s website, Boardroom Smart Investor Online Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your Form of Proxy electronically before the lodgement cut-off time as mentioned above.

This Circular is dated 10 March 2023

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## DEFINITIONS

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

### COMPANIES:

“ATTA” or the “Company”	:	ATTA Global Group Berhad
“ATTA Group” or the “Group”	:	ATTA and its subsidiaries, collectively
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“CBRE WTW” or “Valuer”	:	CBRE WTW Valuation & Advisory Sdn Bhd ( <i>formerly known as C H Williams Talhar &amp; Wong Sdn Bhd</i> )
“Limbongan”	:	Limbongan Batu Maung Sdn Bhd
“Park Avenue” or the “Purchaser”	:	Park Avenue Construction Sdn Bhd, a wholly-owned subsidiary of ATTA
“TA Securities”	:	TA Securities Holdings Berhad
“Utopia”	:	Utopia Span Sdn Bhd

### GENERAL:

“5D-VWAP”	:	5-day volume weighted average market price
“Act”	:	Companies Act 2016
“Announcement”	:	Announcement in relation to the Proposed Acquisition dated 10 November 2022
“Announcement LPD”	:	8 November 2022, being the latest practicable date prior to the Announcement
“Batu Maung Land”	:	A parcel of land (formed by 3 adjoining lots) which consist of: <ul style="list-style-type: none"><li>(a) 1 parcel of freehold land with Title No. GRN 29012, Lot No. 5785, Mukim 12, Daerah Barat Daya, Pulau Pinang measuring approximately 45,908 square feet from Limbongan for RM7,500,000;</li><li>(b) 1 parcel of leasehold land with Title No. HSD 25191, Lot No. PT 6572, Mukim 12, Daerah Barat Daya, Pulau Pinang measuring approximately 127,961 square feet from Limbongan for RM9,500,000; and</li><li>(c) 1 parcel of leasehold land with Title No. HSD 25241, Lot No. PT 6602, Mukim 12, Daerah Barat Daya, Pulau Pinang measuring approximately 87,119 square feet from Utopia for RM11,000,000</li></ul>
“Board”	:	Board of Directors of the Company
“CCM”	:	Companies Commission of Malaysia
“Circular”	:	This circular to shareholders dated 10 March 2023
“Consideration Shares”	:	114,285,600 Shares to be issued pursuant to the Proposed Acquisition
“COVID-19”	:	Coronavirus 2019
“Director”	:	A natural person who holds a directorship in a company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“EGM”	:	Extraordinary general meeting of the Company
“EPS”	:	Earnings per share

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**DEFINITIONS (CONT'D)**

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“FYE”	:	Financial year ended/ending
“Issue Price”	:	Issue price of RM0.245 per Consideration Share
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	3 March 2023, being the latest practicable date prior to the printing of this Circular
“NA”	:	Net assets
“Maximum Scenario”	:	Assuming all the outstanding Warrants C are exercised into new ATTA Shares prior to the implementation of the Proposed Acquisition
“Minimum Scenario”	:	Assuming none of the Warrants C are exercised into new ATTA Shares prior to the implementation of the Proposed Acquisition
“New Name”	:	Mayu Global Group Berhad
“Principal SPAs”	:	3 separate conditional sale and purchase agreements dated 9 November 2022 entered between ATTA, Park Avenue and the Vendors for the Proposed Acquisition which is conditional upon the terms and conditions
“Proposed Acquisition”	:	Proposed Acquisition by Park Avenue of a parcel of land (Formed By 3 adjoining lots) in Barat Daya, Pulau Pinang for a total purchase consideration of RM28,000,000 to be satisfied via the issuance of 114,285,600 Consideration Shares at an issue price of RM0.245 each
“Proposed Change of Name”	:	Propose change of the Company’s name from “ATTA Global Group Berhad” to “Mayu Global Group Berhad”
“Purchase Consideration”	:	A total purchase consideration of RM28,000,000 to be satisfied via the issuance of 114,285,600 Consideration Shares at an issue price of RM0.245 each to Limbongan (i.e., 69,387,700 Consideration Shares) and Utopia (i.e., 44,897,900 Consideration Shares)
“Record of Depositors”	:	A record of securities holders established by Bursa Malaysia Depository Sdn Bhd under the rules of Bursa Malaysia Depository Sdn Bhd
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Shares”	:	Ordinary shares in ATTA
“SPAs”	:	Collectively, the Principal SPAs, Supplemental SPAs and the Supplemental SPAs 2
“Supplemental SPAs”	:	3 separate supplemental sale and purchase agreements dated 19 January 2023 to vary certain terms and conditions of the Principal SPAs
“Supplemental SPAs 2”	:	3 separate supplemental sale and purchase agreements dated 16 February 2023 to vary certain terms and conditions of the Principal SPAs as varied by the Supplemental SPAs
“Unconditional Date”	:	The date of fulfilment of the last conditions precedent under the SPAs
“Vendors”	:	Limbongan and Utopia, collectively
“Warrants C”	:	4,837,053 outstanding warrants 2014/2024 expiring on 18 November 2024 which are convertible into 4,837,053 new ATTA Shares at RM0.87 each

All references to “the Company” in this Circular are to ATTA, references to “the Group” are to ATTA Group. All references to “we”, “us”, “the” and “ourselves” are to the Company, or where the context requires, the Group. All references to “you” in this Circular are references to the shareholders of the Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Certain figures in this Circular have been subject to rounding adjustments.

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**EXECUTIVE SUMMARY**

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**THIS EXECUTIVE SUMMARY SERVES TO HIGHLIGHT SALIENT INFORMATION ON THE PROPOSED ACQUISITION AND PROPOSED CHANGE OF NAME. PLEASE READ THIS CIRCULAR AND ITS APPENDICES CAREFULLY FOR FURTHER DETAILS ON THE PROPOSED ACQUISITION AND PROPOSED CHANGE OF NAME BEFORE VOTING.**

The Board recommends that shareholders of the Company to **vote in favour** of the ordinary resolution in relation to the Proposed Acquisition and special resolution in relation to the Proposed Change of Name to be tabled at the forthcoming EGM.

<b>Proposed Acquisition</b>
<b>Summary</b>
<p>On 9 November 2022, the Company and Park Avenue entered into Principal SPAs with the Vendors to acquire the Batu Maung Land or a total purchase consideration of RM28,000,000 to be satisfied via the issuance of 114,285,600 Consideration Shares at an issue price of RM0.245 each to Limbongan (i.e., 69,387,700 Consideration Shares) and Utopia (i.e., 44,897,900 Consideration Shares). On 19 January 2023, TA Securities announced on behalf of the Board that the Company, Park Avenue and the Vendors had executed Supplemental SPAs. On 16 February 2023, TA Securities announced on behalf of the Board that the Company, Park Avenue and the Vendors had executed Supplemental SPAs 2.</p> <p>Please refer to <b>Section 2</b> of Part A of this Circular for further information.</p>
<b>Rationale / Purpose</b>
<p>To reduce over-relying on the manufacturing segment, the Proposed Acquisition is undertaken as part of ATTA Group's expansion plan to increase its land banks at strategic locations with growth potential, to scale up its property development segment portfolio, enhance the segment's weightage among its existing operating business segment, and securing an additional revenue stream for the future. Upon completion of the Proposed Acquisition and prior to the finalisation of the development plan, the Board intends to hold the Batu Maung Land as part of its investment property or lease the Batu Maung Land to the ship building or ship repair providers as the Batu Maung Land has proven its viability in operating such business activities. Premised on the above, the Board is of the view that the Proposed Acquisition would provide ATTA Group with the opportunity to create greater economic value and enlarge its earnings base and is in line with ATTA Group's long-term strategic plan.</p> <p>Please refer to <b>Section 3</b> of Part A of this Circular for further information.</p>
<b>Risk factors</b>
<p>The Proposed Acquisition is subject to the following risks:</p> <ul style="list-style-type: none"><li>(a) The Proposed Acquisition is subject to risks inherent to the property development business including approval from authorities for the development orders and regulations on property development for the Batu Maung Land.</li><li>(b) The progress of the Batu Maung Land's future development will be susceptible to a number of risks which include, amongst others, shortages of materials, equipment, skilled labour, increase in construction costs and etc.</li><li>(c) The Batu Maung Land is subject to the risk of non-approvals from the authorities for the transfer of land title for Lot 6572 and Lot 6602 to ATTA Group, and for the conversion of the category of land use and upliftment of express conditions on Lot 6572 and Lot 6602 to enable ATTA Group to develop the land.</li><li>(d) ATTA Group is susceptible to a risk of not able to secure tenant from ship repair company for the Batu Maung Land given the specialised nature of the buildings and infrastructures on the Batu Maung Land for shipyard business purposes only.</li><li>(e) ATTA Group may seek external financing to fund future development costs of its land bank which are dependent on numerous factors such as macroeconomic and capital market conditions, prevailing interest rates and etc.</li><li>(f) The Malaysian Government has the power to compulsorily acquire any land in Malaysia pursuant to the provisions of the applicable legislation including the Land Acquisition Act, 1960.</li><li>(g) In the event any of the conditions precedent in the SPAs is not fulfilled or waived, the Proposed Acquisition may be delayed or terminated, and the potential benefits arising therefrom may not materialise.</li><li>(h) ATTA Group may be subjected to certain contractual risks such as specific performance or payment of liquidated damages as a result of non-fulfilment of its obligations under these agreements.</li></ul>

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**EXECUTIVE SUMMARY (CONT'D)**

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<b>Proposed Acquisition (cont'd)</b>	
<b>Risk factors (cont'd)</b>	
(i)	Adverse developments in the political, economic, monetary, fiscal and social conditions in Malaysia, where ATTA Group operates, could materially and unfavourably affect ATTA Group's business, financial position, results of operations and prospects.
(j)	Despite the relaxation of the restrictions and standard operating procedures (SOPs), the impact of containment measure against COVID-19 are expected to decrease on ATTA Group's business and operations.
Please refer to <b>Section 5</b> of Part A of this Circular for further information.	
<b>Proposed Change of Name</b>	
<b>Summary</b>	
On 1 March 2023, the Board had announced that the Company proposed to change its name from "ATTA Global Group Berhad" to "Mayu Global Group Berhad". The Proposed Change of Name is undertaken to better reflect the Company's new corporate identity and vision of the Company, which will be in line with the changes in its existing and future undertakings. The word "Ma" and "Yu" are chinese characters which signify " <i>Success and Prosperity</i> " and " <i>Goodwill</i> " respectively.	
Please refer to <b>Part B</b> of this Circular for further information.	

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**PART A**

**LETTER TO THE SHAREHOLDERS IN RELATION PROPOSED ACQUISITION**



**ATTA GLOBAL GROUP BERHAD**  
(Registration No. 198101012950 (79082-V))  
(Incorporated in Malaysia)

**Registered Office:**

No. 55A, Medan Ipoh 1A  
Medan Ipoh Bistari, 31400 Ipoh  
Perak Darul Ridzuan, Malaysia

10 March 2023

**Board of Directors**

Dato' Sri Tajudin Bin Md Isa (*Chairman / Independent Non-Executive Director*)  
Tan Kim Hee (*Executive Director*)  
Goh Chin Heng (*Executive Director*)  
Chow Choon Hoong (*Executive Director*)  
Tan Qian Hui (*Non-Independent Non-Executive Director*)  
Loh Yee Sing (*Independent Non-Executive Director*)  
Ravi Chandran A/L Subash Chandran (*Independent Non-Executive Director*)  
Leong Wai Kuan (*Independent Non-Executive Director*)

**To: Shareholders of ATTA**

Dear Shareholders,

**PROPOSED ACQUISITION**

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**1. INTRODUCTION**

On 10 November 2022, TA Securities announced on behalf of the Board that the Company, Park Avenue and the Vendors had on 9 November 2022 entered into Principal SPAs to acquire the Batu Maung Land with the Purchase Consideration to be satisfied via the issuance of 114,285,600 Consideration Shares at an issue price of RM0.245 each to Limbongan (i.e., 69,387,700 Consideration Shares) and Utopia (i.e., 44,897,900 Consideration Shares).

On 19 January 2023, TA Securities announced on behalf of the Board that the Company, Park Avenue and the Vendors had executed Supplemental SPAs. On 16 February 2023, TA Securities announced on behalf of the Board that the Company, Park Avenue and the Vendors had executed Supplemental SPAs 2. Please refer to **Appendix I** of this Circular for the salient terms of the SPAs.

On 27 February 2023, TA Securities announced on behalf of the Board that Bursa Securities had vide its letter dated 27 February 2023 approved the listing and quotation of 114,285,600 Consideration Shares to be issued at an issue price of RM0.245 pursuant to the Proposed Acquisition on the Main Market of Bursa Securities, subject to the conditions as stated in **Section 8** of Part A of this Circular.

**THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE SHAREHOLDERS WITH DETAILS ON THE PROPOSED ACQUISITION, TO SET OUT THE BOARD'S RECOMMENDATIONS AND TO SEEK SHAREHOLDERS' APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.**



**SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION TO BE TABLED AT THE FORTHCOMING EGM.**

**2. DETAILS OF THE PROPOSED ACQUISITION**

**2.1 Background information**

On 9 November 2022, the Company and Park Avenue had entered into the Principal SPAs with the Vendors to acquire the Batu Maung Land for the Purchase Consideration. On 19 January 2023, the Company, Park Avenue and the Vendors had executed the Supplemental SPAs to vary certain terms and conditions of the Principal SPAs. On 16 February 2023, the Company, Park Avenue and the Vendors had executed the Supplemental SPAs 2 to vary certain terms and conditions of the Principal SPAs and Supplemental SPAs.

Pursuant to the SPAs, Park Avenue is acquiring the Batu Maung Land on an “as is where is” basis, free from all encumbrances and with full and complete vacant possession subject to the existing categories of land use, conditions of the title and restrictions in interest, express or implied as at the dates of the SPAs, thereafter or from time to time imposed on the Batu Maung Land by the authorities after the completion of the Proposed Acquisition.

The Purchase Consideration shall be satisfied with the issuance of 69,387,700 Consideration Shares at an issue price of RM0.245 each in total of RM17,000,000 to Limbongan (and/or its nominee(s) as may be instructed by Limbongan) and 44,897,900 Consideration Shares at an issue price of RM0.245 each in total of RM11,000,000 to Utopia (and/or its nominee(s) as may be instructed by Utopia).

The Consideration Shares to be allotted and issued to Limbongan, Utopia and/or their nominate recipients under the SPAs shall be rounded down to the nearest 1 unit of Consideration Share and any fractional entitlements shall be disregarded.

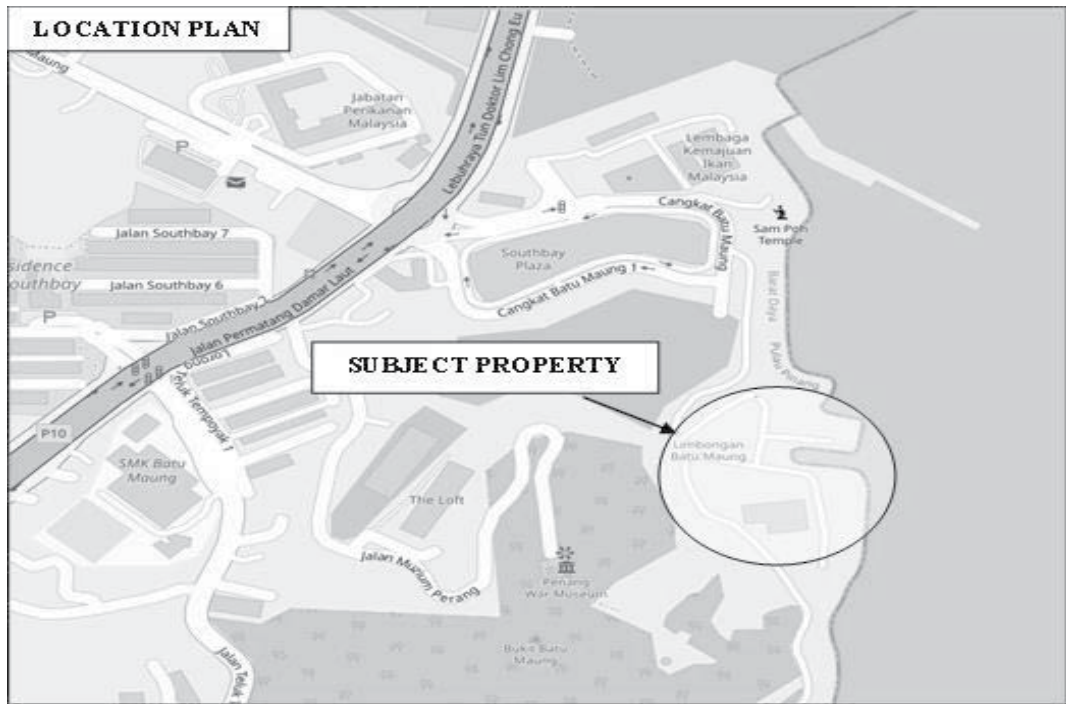
**2.2 Information on the Batu Maung Land**

The Batu Maung Land is situated at the south-eastern portion of Penang Island, which abuts onto the sea (South Channel) in the locality of Batu Maung. It is situated approximately 18 km south-west from KOMTAR in Georgetown, approximately 10 km to the south-east of the town centre of Bandar Bayan Baru, approximately 1.8 km to the south of Sultan Abdul Halim Muadzam Shah bridge (Second Penang bridge) and approximately 8 km east from the Penang International Airport.

The immediate neighbourhood is mainly residential in nature with pockets of hilly lands and coastal lands. Located in proximity on the formerly old town of Batu Maung is an ongoing mixed development project known as Southbay City, including Residence @ Southbay, Lagenda Southbay, Southbay Plaza / Condominium and The Loft. The latest residential development within Southbay City is M Vista. There is also a landed residential scheme nearby known as Batu Maung Residence.

**[The rest of this page has been intentionally left blank]**

The following map sets out the location of the Batu Maung Land together with other developments within the vicinity:



Title	1	2	3
Title No.	GRN 29012	HSD 25191	HSD 25241
Lot No.	5785	PT 6572	PT 6602
Mukim	12		
District	Barat Daya		
State	Pulau Pinang		
Tenure	Term in perpetuity	Leasehold 60 years expiring on 7 May 2074	Leasehold 99 years expiring on 29 May 2113
Category of land use	Nil	Industrial	
Land area	45,908 square feet	127,961 square feet	87,119 square feet
Registered owner	Limbongan Batu Maung Sdn Bhd		Utopia Span Sdn Bhd
Express conditions	Nil	Tanah yang diberimilik ini hendaklah digunakan untuk tujuan "travel hoist finger pier" sahaja. <i>(This alienated land is to be used for the purpose of travel hoist<sup>(1)</sup> finger pier<sup>(2)</sup> only)</i>	Tanah yang diberimilik ini digunakan hanya sebagai bengkel dan limbongan kapal sahaja. <i>(This alienated land is used as workshop and shipyard only)</i>
Restriction in interest	Nil	Tanah yang diberi milik ini tidak boleh di pindah milik dalam tempoh 10 tahun dari tarikh pendaftaran hakmilik dan selepas tempoh ini pindah milik tidak dibenarkan tanpa mendapat kebenaran Pihak Berkuasa Negeri. <i>(This alienated land cannot be transferred within 10 years from the date of title registration and thereafter, transfer is not allowed without the permission of the State Authority)</i>	Tanah yang diberimilik tidak boleh dipindahmilik, cagar, pajak, pajak kecil atau sebarang bentuk jua sekalipun tanpa kebenaran bertulis daripada Pihak Berkuasa Negeri.
			<i>(This alienated land cannot be transferred, charged, leased, sub-leased or in any manner dealt with without the written permission from the State Authority)</i>

Title	1	2	3
Encumbrances	Nil		
Existing usage	Operated as a shipyard / owner occupied		
Audited net book value as at 31 December 2021	RM1,129,602	RM1,226,868	RM11,877,541

Notes:

- (1) Travel hoist is a lifting machinery used to transfer ships or other types of vessels from dock to shipyard.
- (2) Finger pier is a short and narrow pier projecting into the sea and used as a docking place for ships and vessels.

### 2.3 Independent valuation on the Batu Maung Land

CBRE WTW, an independent firm of valuer registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia (BOVAEP) was appointed by ATTA and had valued the Batu Maung Land using the comparison approach as the only approach to determine the market value of the Batu Maung Land at RM28,000,000 in the valuation report dated 9 November 2022.

The Batu Maung Land is a parcel of land formed by 3 adjoining lots and being operated as a shipyard area. There are concrete sea walls on both Lot No. PT 6572 and Lot No. PT 6602 which demarcate the land portion from the portion covered by the sea. There are single and 2-storey buildings and ancillary structures on the Batu Maung Land including office / store, canteen / rest house, workers' quarters, stores, workshops, toilets and a guard house. There are also fuel storage and container type structures.

The buildings are mainly of semi-permanent type being constructed of timber framework enclosed with partly plastered brickwalls and partly timber boards and supporting metal roofs. The workshops and stores are constructed of steel framework supporting metal deck roof sheets and clad with metal deck sheets for the walls or metal grilles on metal frames. The floors are constructed of concrete. The buildings and structures on the Batu Maung Land have been constructed not according to any building plan. As such, no corresponding Certificate of Fitness for Occupation (CFO) / Certificate of Completion and Compliance (CCC) have been issued. Therefore, for the purpose of the valuation, no value is attached to the buildings and structures erected on Batu Maung Land and the Batu Maung Land is valued as a parcel of land formed by 3 adjoining lots.

For the valuation, the Valuer has adopted only the comparison approach as other approaches are not applicable due to the fact that the Batu Maung Land is owner occupied and not an income generating investment property. Furthermore, the Batu Maung Land has yet to be properly planned for development as no application for planning permission has been submitted to the relevant authorities.

The comparison approach is the most commonly adopted approach in valuing properties which there are sufficient and recent transactions that can be considered as good comparables for comparison and adjustments to be made in order to derive the market value of the subject property. The comparison approach entails analysing recent transactions of the comparable properties in and around the locality for comparison purposes with adjustments made for location – general, location – accessibility, land size, shape, tenure, terrain, zoning, title category of land use, if any and other relevant characteristics, to arrive at the market value. In arriving at the market value of the Batu Maung Land, several recent transactions of development lands have been considered.

The Valuer, having inspected and valued the Batu Maung Land on 2 November 2022 and investigated available data related and relevant to the matter, is of the opinion that the market value of the Batu Maung Land of RM28,000,000, derived from the comparison approach as a fair presentation of the market value of the Batu Maung Land as there are good and recent comparables / transactions of land which are located within the vicinity for a comparison to be made with the Batu Maung Land.

(Source: Valuation report dated 9 November 2022 by the Valuer)

## 2.4 Salient terms of the SPAs

The salient terms of the SPAs are set out in **Appendix I** of this Circular.

## 2.5 Basis of and justification for the Purchase Consideration

The Purchase Consideration was arrived at on a “willing-buyer and willing-seller” basis, after taking into consideration the following:

- (a) the market value of the Batu Maung Land of RM28,000,000 as appraised by the Valuer in its valuation report dated 9 November 2022 using the comparison approach;
- (b) the rationale of the Proposed Acquisition as set out in **Section 3** of Part A of this Circular; and
- (c) the prospects of ATTA Group as set out in **Section 4.4** of Part A of this Circular.

Premised on the above, the Board is of the view that the Purchase Consideration is justifiable as the Batu Maung Land is being transacted at the market value.

## 2.6 Mode of satisfaction of the Purchase Consideration

The Purchase Consideration shall be satisfied entirely via issuance and allotment of a total of 114,285,600 Consideration Shares at an issue price of RM0.245 each to the Vendors within seven (7) days from the unconditional date of the SPAs.

## 2.7 Basis of determining and justification for the issue price of the Consideration Shares

The issuance of the Consideration Shares to satisfy the Purchase Consideration for the Proposed Acquisition would:

- (i) enable ATTA Group to conserve its cash reserves to be used for its existing businesses. As at 28 February 2023, ATTA Group’s cash and bank balances stood at approximately RM31.51 million. ATTA Group intends to use the existing cash and bank balances to mainly fund the development of Sky Urban Condominium project,<sup>(1)</sup> working capital requirements to purchase raw materials for its existing manufacturing segment as well as general expenses, administrative expenses and other expenses as and when needed for ATTA Group’s business and operations.

*Note:*

- (1) *Sky Urban Condominium project is the flagship component of Tripark, a strategic Project developed by the Company’s wholly-owned subsidiary, Sunrise Manner Sdn Bhd which located along Jalan Seladang in Alma, Bukit Mertajam, Penang. The Sky Urban Condominium project was launched in 2018 and will comprise 3 tower blocks of 31 storeys each, containing residential units. As at the LPD, the Sky Urban Condominium project has completed 90% and is expected to be completed by 4<sup>th</sup> quarter of 2023.*

ATTA Group would be able to avoid incurring interest and other related expenses which would arise if bank borrowings are used to fund the Proposed Acquisition, thereby minimising cash outflow. Based on ATTA Group’s prevailing interest rate for bank borrowings of 6.70% per annum, ATTA Group would be able to avoid an interest cost of RM1.88 million per annum with the issuance of 114,285,600 Consideration Shares at an issue price of RM0.245 each (equivalent to RM28,000,000) to fund the Purchase Consideration. Moreover, the Group will be able to preserve such cash for its intended usage to fund the development of Sky Urban Condominium project and working capital requirements for its existing businesses.

In addition, preserving such cash and fulfilling the entire Purchase Consideration via the issuance of Consideration Shares instead of a mix of ATTA Shares and internal funds/bank borrowings would allow ATTA Group to maintain a relatively low gearing level and to have greater flexibility in sourcing for funding alternatives for the future property development project (if required); and

- (ii) strengthen the capital base of ATTA and potentially improving the trading liquidity of ATTA Shares on Bursa Securities as the number of issued ATTA Shares will increase from 368,204,274 (excluding 774 treasury shares) as at the LPD to 482,489,874 under the Minimum Scenario or 487,326,927 under the Maximum Scenario after the completion of the Proposed Acquisition, as set out in **Section 6** of Part A of this Circular. The issuance of 114,285,600 Consideration Shares at an issue price of RM0.245 each (equivalent to RM28,000,000) to fund the Purchase Consideration is equivalent to approximately 31.04% of the existing number of issued ATTA Shares of 368,204,274 (excluding 774 treasury shares) as at the LPD.

The basis for the issue price of RM0.245 includes the following:

- (i) the issue price is at a discount of RM0.0224 or approximately 8.38% to the 5D-VWAP of ATTA shares up to and including the Announcement LPD of RM0.2674. The discount of not more than 10% was deemed to be reasonable as it is at a level sufficiently attractive for the Vendors to accept the Consideration Shares in lieu of cash, after negotiations as ATTA Group and the Vendors are desirous of successfully completing the transactions on terms acceptable to all parties; and
- (ii) The Consideration Shares are subject to market risk of ATTA Shares to be assumed by the Vendors, which is influenced by factors including market sentiments, liquidity of ATTA Shares as well as volatility of the general equity markets.

Premised on the above, the Board is of the view that the issue price for the Consideration Shares is reasonable.

## **2.8 Ranking of the Consideration Shares**

The Consideration Shares to be issued shall, upon allotment and issuance, rank equally in all respects with the then existing ATTA Shares, save and except that the Consideration Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions, the entitlement date of which is prior to the date of allotment and issuance of the Consideration Shares.

## **2.9 Liabilities to be assumed by the Company**

ATTA Group will not assume any liabilities (including contingent liabilities and guarantees) pursuant to the Proposed Acquisition.

## **2.10 Additional financial commitment**

As at the LPD, there is no additional financial commitment by ATTA Group in relation to the Batu Maung Land, except an estimated cost of approximately RM1.20 million for the statutory fees (e.g., memorandum of transfer fee, stamping fee and quit rent) required to be paid pursuant to the Proposed Acquisition. In addition, ATTA Group expects to incur future development costs for the Batu Maung Land, with the amount yet to be determined as at the LPD since the development costs will depend on the future development plans to be finalised for the Batu Maung Land.

## **2.11 Information on the Vendors**

### **2.11.1 Limbongan**

Limbongan was incorporated in Malaysia under the Companies Act 1965 on 2 April 1980 as a private limited company and is deemed registered under the Act. As at the LPD, its share capital is RM1,299,328 comprising 1,299,328 ordinary shares. It is principally involved in boat repairers, constructing and sale of boats.

The directors of Limbongan are Lim Yeow Teoh and Dato' Lio Chee Yeong. The sole shareholder of Limbongan is Utopia. As at the LPD, Limbongan does not have any subsidiary company or associated company.

The proforma effects of the Proposed Acquisition on the shareholdings of Limbongan, Dato' Lio Chee Yeong and Lim Yeow Teoh are as follows:

**Minimum Scenario:**

	As at the LPD				After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Limbongan	-	-	-	-	69,387,700	14.38	-	-
Dato' Lio Chee Yeong	2,070,000	0.56	32,000 <sup>(1)</sup>	0.01	2,070,000	0.43	114,317,600 <sup>(1)(2)</sup>	23.69
Lim Yeow Teoh	-	-	-	-	-	-	114,285,600 <sup>(2)</sup>	23.69

Notes:

- (1) Deemed interested by virtue of his spouse's (Datin Chuah Wan Lay) shareholding in ATTA pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of their substantial shareholdings in Limbongan (through Utopia) and their substantial shareholdings in Utopia pursuant to Section 8 of the Act.

**Maximum Scenario**

	As at the LPD				Assuming full exercise of the Warrants C			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Limbongan	-	-	-	-	-	-	-	-
Dato' Lio Chee Yeong	2,070,000	0.56	32,000 <sup>(1)</sup>	0.01	2,070,000	0.55	32,000 <sup>(1)</sup>	0.01
Lim Yeow Teoh	-	-	-	-	-	-	-	-

	After the Proposed Acquisition			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Limbongan	69,387,700	14.24	-	-
Dato' Lio Chee Yeong	2,070,000	0.42	114,317,600 <sup>(1)(2)</sup>	23.46
Lim Yeow Teoh	-	-	114,285,600 <sup>(2)</sup>	23.45

Notes:

- (1) Deemed interested by virtue of his spouse's (Datin Chuah Wan Lay) shareholding in ATTA pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of their substantial shareholdings in Limbongan (through Utopia) and their substantial shareholdings in Utopia pursuant to Section 8 of the Act.

Limbongan does not hold any ATTA Shares as at the LPD. As at the LPD, the directors and shareholder of Limbongan do not have any direct and/or indirect equity interest in ATTA, save for Dato' Lio Chee Yeong who holds 2,070,000 ATTA Shares (0.56% direct equity interest in ATTA) and indirectly hold 32,000 ATTA Shares (0.01% indirect equity interest in ATTA) by virtue of shareholding of his wife, Datin Chuah Wan Lay in ATTA pursuant to Section 8 of the Act.

## 2.11.2 Utopia

Utopia was incorporated in Malaysia under the Act on 11 July 2016 as a private limited company. It is principally involved in investment holding and property investment business. As at the LPD, its share capital is RM2 comprising 2 ordinary shares. The directors of Utopia are Lim Yeow Teoh and Dato' Lio Chee Yeong. The shareholders together with their respective shareholdings in Utopia as at the LPD are as follows:

Name	Nationality	Designation	No. of share	%
Lim Yeow Teoh	Malaysian	Director	1	50
Dato' Lio Chee Yeong	Malaysian	Director	1	50

As at the LPD, Utopia does not have any subsidiary or associated company except for a wholly-owned subsidiary namely Limbongan.

The proforma effects of the Proposed Acquisition on the shareholdings of Utopia, Dato' Lio Chee Yeong and Lim Yeow Teoh are as follows:

### Minimum Scenario:

	As at the LPD				After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Utopia	-	-	-	-	44,897,900	9.31	69,387,700 <sup>(2)</sup>	14.38
Dato' Lio Chee Yeong	2,070,000	0.56	32,000 <sup>(1)</sup>	0.01	2,070,000	0.43	114,317,600 <sup>(1)(3)</sup>	23.69
Lim Yeow Teoh	-	-	-	-	-	-	114,285,600 <sup>(3)</sup>	23.69

Notes:

- (1) Deemed interested by virtue of his spouse's (Datin Chuah Wan Lay) shareholding in ATTA pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of its shareholding in Limbongan pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of their substantial shareholdings in Limbongan (through Utopia) and their substantial shareholdings in Utopia pursuant to Section 8 of the Act.

### Maximum Scenario

	As at the LPD				Assuming full exercise of the Warrants C			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Utopia	-	-	-	-	-	-	-	-
Dato' Lio Chee Yeong	2,070,000	0.56	32,000 <sup>(1)</sup>	0.01	2,070,000	0.55	32,000 <sup>(1)</sup>	0.01
Lim Yeow Teoh	-	-	-	-	-	-	-	-

	After the Proposed Acquisition			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Utopia	44,897,900	9.21	69,387,700 <sup>(2)</sup>	14.324
Dato' Lio Chee Yeong	2,070,000	0.42	114,317,600 <sup>(1)(3)</sup>	23.46
Lim Yeow Teoh	-	-	114,285,600 <sup>(3)</sup>	23.45

Notes:

- (1) *Deemed interested by virtue of his spouse's (Datin Chuah Wan Lay) shareholding in ATTA pursuant to Section 8 of the Act.*
- (2) *Deemed interested by virtue of its shareholding in Limbongan pursuant to Section 8 of the Act.*
- (3) *Deemed interested by virtue of their substantial shareholdings in Limbongan (through Utopia) and their substantial shareholdings in Utopia pursuant to Section 8 of the Act.*

Utopia does not hold any ATTA Shares as at the LPD. As at the LPD, the directors and shareholders of Utopia do not have any direct and/or indirect equity interest in ATTA, save for Dato' Lio Chee Yeong who holds 2,070,000 ATTA Shares (0.56% direct equity interest in ATTA) and indirectly hold 32,000 ATTA Shares (0.01% indirect equity interest in ATTA) by virtue of shareholding of his wife, Datin Chuah Wan Lay in ATTA pursuant to Section 8 of the Act.

## 2.12 Take-over implications

The issuance of Consideration Shares to the Vendors pursuant to the Proposed Acquisition will not give rise to any mandatory general offer obligations pursuant to the Malaysian Code on Take-overs and Mergers 2016 and the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia.

## 3. RATIONALE FOR THE PROPOSED ACQUISITION

At present, ATTA Group's areas of operation are principally manufacturing and processing of metal related products, trading of metal related products, property development, property investment, letting of industrial and commercial assets and investment holding with a main focus in Malaysia.

For the FYE 30 June 2022, ATTA Group's main business operations, the manufacturing segment, which represented RM44.04 million in revenue or approximately 36.76% of the overall revenue had shown decreased in revenue for the past 3 financial years. While for the property development segment, which represented RM71.56 million in revenue or approximately 59.70% of the overall revenue that results from the ATTA Group's diversification of its business on 19 January 2018, had shown an uptrend in revenue for the past 3 financial years, proven the potential viability of the segment. The current on-going property development projects of ATTA Group are as follows:

<b>Project Name / Location</b>	<b>Types of properties</b>	<b>Expected gross development value (RM'000)</b>	<b>Stage of completion</b>	<b>Expected completion date</b>
Sky Urban Condominium / Penang	560 units of condominium	285,000	90%	4 <sup>th</sup> quarter of 2023

To reduce over-relying on the manufacturing segment, the Proposed Acquisition is undertaken as part of ATTA Group's expansion plan to increase its land banks at strategic locations with growth potential, to scale up its property development segment portfolio, enhance the segment's weightage among its existing operating business segment, and securing an additional revenue stream for the future.

After the completion of the Proposed Acquisition and prior to the finalisation of the development plan, the Board intends to hold the Batu Maung Land as part of its investment property or lease the Batu Maung Land to the ship building or ship repair providers as the Batu Maung Land has proven its viability in operating such business activities. Over the years, one of the subject vendors, Limbongan, has been operating as a provider of shipyard related services including ship repair, construction of small specialist vessels and pleasure boats, painting, lamination, maintenance, and overhaul of ship components. This has also proven the strategic location of Batu Maung Land and its ability to access the sea lanes.

Presently, the category of land use for Lot 6572 and Lot 6602 of the Batu Maung Land is for industrial purpose and the express conditions attached to Lot 6572 and Lot 6602 of the Batu Maung Land are for travel hoist finger pier and for workshop and shipyard purposes.



Prior to the commencement of the property development project on the Batu Maung Land and after the finalisation of the development plan on the Batu Maung Land, ATTA Group will convert the category of land use for the entire Batu Maung Land to residential and commercial or mixed development purposes depending on the final development plan in order for the ATTA Group to develop the Batu Maung Land. In this regard, ATTA Group will submit the application for the change of category of land use to the Land Office (Pejabat Tanah dan Galian Negeri Pulau Pinang) and seek the consent from the state authority accordingly. The application will then be reviewed by relevant authorities, including the Penang State Planning Committee and the Penang Island City Council based on factors such as the impact on the environment, traffic, and the local community. ATTA Group also may require to rezone the land for residential and commercial or mixed development purposes, subject to a rezoning fee to be determined by the local authority (Planning Department) if required. In addition, ATTA Group expects to incur a conversion premium for the Batu Maung Land which are payable to the Penang State Government with the amount yet to be determined as at the LPD since it will depend on the intended category of land use for the Batu Maung Land.

Premised on the above and the prospect and outlook of the Batu Maung Land as set out in **Section 4.5** of Part A of this Circular, the Board is of the view that the Proposed Acquisition would provide ATTA Group with the opportunity to create greater economic value and enlarge its earnings base and is in line with ATTA Group's long-term strategic plan.

## **4. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS**

### **4.1 Overview and outlook of Malaysian economy**

Malaysia's economy has recovered from the COVID-19 pandemic thanks to the collaborative whole-of-nation effort by the Government, private sector, and civil society. As the country entered the recovery phase, the economy grew by 3.1% in 2021, supported by the return of domestic demand and the implementation of various assistance and economic stimulus packages.

Malaysia's economy expanded by 6.9% in the first half of 2022 underpinned by favourable momentum in the domestic economy and steady expansion in the external sector, as well as continued improvement of the labour market conditions. The strong performance is expected to sustain, backed by an increase in private consumption and business activities as the economy transitions to endemicity phase of COVID-19 with the surging tourist arrivals. Furthermore, the growth momentum was attributed to the government's consistent policy support, particularly with the implementation of initiatives under the Budget 2022 since the start of the year, as well as the spillover effects from the Budget 2021 measures coupled with various assistance and stimulus packages.

In tandem with continued implementation of development programmes and projects, the economy is expected to expand further in the second half of the 2022. The growth prospects have been supported by the resumption of economic and social activities and improvement in international travel activities following the relaxation of COVID-19 restrictions regionally. With better prospects as indicated by the leading Index, the economy is anticipated to gain its growth momentum in the second half of the 2022 attributed to strong domestic demand as the country transitions into endemicity.

For the full year of 2022, the economic growth is expected to register a higher growth within the range of 6.5% - 7%. The domestic economy remains resilient and is forecast to expand between 4% - 5% in 2023 driven by the domestic demand. Nevertheless, the pace of economic recovery is also dependent on other factors, including successful containment of the pandemic, support for cost of living and efforts in mitigating the downside risks such as geopolitical uncertainties, global inflation as well as tightening financial conditions.

*(Source: Economic Outlook 2023, Ministry of Finance Malaysia)*

The Malaysian economy registered a strong growth of 14.2% in the third quarter of 2022 ("**3Q 2022**") (second quarter of 2022 ("**2Q 2022**"): 8.9%). Apart from the sizeable base effects from negative growth in the third quarter of 2021, the high growth was underpinned by continued expansion in domestic demand.

On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.9% in 3Q 2022 (2Q 2022: 3.5%). Overall, the Malaysian economy expanded by 9.3% in the first three quarters of 2022.

Malaysia's economic growth will be supported by continued expansion in domestic demand. The economy would benefit from the improvement in labour market conditions, realisation of multi-year projects and higher inbound tourism activity. While external demand is expected to moderate, this will be partly cushioned by Malaysia's diversified export base.

The balance of risks to Malaysia's growth outlook remains tilted to the downside. This stems from weaker-than-expected global growth, further escalation of geopolitical conflicts, and worsening supply chain disruptions.

*(Source: Quarterly Bulletin for the 3<sup>rd</sup> quarter 2022, Bank Negara Malaysia)*

## **4.2 Overview and outlook of the manufacturing industry in Malaysia**

Malaysia's manufacturing sector continued to expand, recording a growth of 7.9% in the first half of 2022, supported by both the export and domestic-oriented industries. The export-oriented industries, which constitute 68.9% of the manufacturing sector, grew by 7.1%, while the domestic-oriented industries increased by 9.7%. The sector is expected to improve further in the second half with an expansion rate of 4.9%, driven by higher output across all industries, particularly from the E&E, transport equipment as well as metal-related segments. Within the export-oriented industries, the E&E segment is anticipated to be driven by strong demand from the global semiconductor market, especially for chip products. Overall, the manufacturing sector is forecast to expand by 6.3% in 2022.

In addition, Malaysia's trade structure has been evolving significantly over recent decades, from agriculture- and mining-based into robust manufacturing-led sectors and has since propelled itself to becoming a leading exporter, particularly in the E&E products. Subsequently, Malaysia has also emerged as among the major exporters in other key non-E&E products since 2000, benefitting from diversification in exports market and greater focus on higher value-added downstream manufacturing activities. These include petroleum products, chemicals and chemical products as well as manufactures of metal. Currently, the manufacturing sector continues to contribute the highest share of more than 80% of the country's overall exports.

*(Source: Economic Outlook 2023, Ministry of Finance Malaysia)*

The manufacturing sector grew by 13.2% in 3Q 2022 (2Q 2022: 9.2%). The E&E cluster continued to record strong growth of 17.3% in 3Q 2022 (2Q 2022: 15.5%), while the primary sector expanded at a faster pace (3Q 2022: 6.0%; 2Q 2022: 1.3%) due to the resumption of operations at an existing oil refinery that was previously under maintenance. The consumer cluster registered double-digit growth, lifted by the ramp up of production in the motor vehicle and transport equipment segment to meet the high backlog in orders.

*(Source: Quarterly Bulletin for the 3<sup>rd</sup> quarter 2022, Bank Negara Malaysia)*

Despite the volatile business environments caused by global supply disruptions, the manufacturers were able to implement proactive measures to cushion the impact such as building inventory buffers through advance bookings and using alternative modes of transportation. The E&E cluster continued to record double-digit growth driven by global demand for semiconductors. The consumer cluster grew at a faster pace, supported by strong domestic spending activities.

Industrial production in Malaysia expanded by 12.5% year-on-year in July 2022, following a 12.1% rise in the prior month, and compared to market forecasts of 15.2%. While marking the 11<sup>th</sup> straight month of increase in industrial output, the latest figure was the fastest since May 2021, underpinned by a faster rise in both mining and manufacturing production.

Manufacturing output grew faster (14.9% vs 14.4%), led by transport equipment and other manufactures products (73.6%), wood, furniture, paper products and printing, non-metallic mineral (27.8%), basic metal & fabricated metal (23.9%); while those mining rose more (3.2% vs 2.1%), with natural gas rising stronger (12.6% vs 5.5%). Meanwhile, electricity production continued to rise (13.2% vs 15.4%) On a monthly basis, industrial output plunged 4.7% in July, reversing sharply from a 9.6% jump in June, which was the highest rate since June 2020.

Malaysia remained an attractive investment destination for global and regional business expansions as the total Foreign Direct Investments (“FDI”) and Domestic Direct Investments (DDI) continue to grow for the period of January to June 2022. The nation’s economy has been on a strong recovery path since the country reopened its borders last year. Supported by robust industrial ecosystem, increase in domestic demand and easing of containment measures, the Malaysian economy performance continues to normalise and grow in strength.

Apart from the increasing number of multinational companies’ (MNC) presence in Malaysia, Malaysian companies have also leveraged their presence here by being persistent in building up their capabilities to provide products and services required by these global companies.

Malaysia has attracted a total of RM123.3 billion worth of approved investments in the manufacturing, services and primary sectors involving 1,714 projects for the period of January to June 2022 and is expected to create 57,771 job opportunities in the country. FDI remained the major contributor, at 70.9% or RM87.4 billion, while investments from domestic sources contributed 29.1% amounting to RM35.9 billion.

In this period, the services sector assumed a significant role towards driving the country’s economic recovery, accounting for 63.3% of total approved investments with RM78.0 billion. The stellar performance for the services sector exceeded expectations for January to June 2022, an increase of 48.8% from the achievement attained in the same period in 2021. This is followed by the manufacturing sector at RM43.1 billion or 34.9% and the primary sector at RM2.2 billion (USD0.5 billion) or 1.8%.

FDI accounted for 70.9% of the approved investments, valued at RM87.4 billion. Of the total investments approved, the People’s Republic of China (PRC) dominated foreign investments for the period of January to June 2022, with investments totalling RM48.6 billion. This is followed by Germany (RM9.0 billion), Singapore (RM6.0 billion), Brunei (RM5.1 billion), and The Netherlands (RM4.1 billion).

For projects approved by state, five major states, namely Johor, Selangor, Sabah, Kedah and Pulau Pinang, contributed RM103.5 billion or 83.9% of the total investments approved from January to June 2022.

*(Source: Malaysia Investment Performance Report 2022, Malaysian Industrial Development Authority)*

#### **4.3 Overview and outlook of the construction and property industry in Malaysia**

The construction sector is forecast to expand by 4.7% in 2023 following a better performance in all subsectors.

In addition, the approved investment projects in the manufacturing sector are anticipated to come onstream and subsequently creating a greater demand for industrial buildings. Hence, the non-residential buildings subsector is projected to expand further. Meanwhile, the residential buildings subsector is expected to grow steadily supported by more construction of affordable houses, in line with the strategy under the 12MP. In addition, incentive offered by the Government to encourage home ownership through the i-MILIKI programme is expected to spur demand for residential buildings while addressing the property overhang issue.

*(Source: Economic Outlook 2023, Ministry of Finance Malaysia)*

The construction sector recorded a higher growth of 15.3% (2Q 2022: 2.4%) as all subsectors recorded improvements in activities. Commercial real estate, mixed-development and small-scale projects continued to support activities in the non-residential and special trade subsectors.

*(Source: Quarterly Bulletin for the 3rd quarter 2022, Bank Negara Malaysia)*

For the third quarter of 2022, the value of work done in construction sector surged 23.2% in the amounted to RM30.5 billion (2Q 2022: 6.1%). The expansion was driven by Non-residential buildings (37.7%), Special trades activities (32.2%), Residential buildings (17.8%) and Civil engineering (14.6%) subsectors.

The Department of Statistics Malaysia also reports that in the third quarter of 2022, the Civil engineering subsector remained dominant as the main contributor to the value of construction work done with 37.9% share. Besides that, Non-residential buildings subsector contributed 30.4% while Residential buildings and Special trades activities contributed 22.3% and 9.4% respectively.

The report also stated that the private sector grew 31.8% (2Q 2022: 14.8%) with 59.0% share of total value of construction work done (RM18.0 billion). Meanwhile, the public sector continued improving to -12.6% (Q2 2022: -4.0%). The construction work done for the sum of three quarters of 2022 registered a total value of RM89.9 billion, posted an increase of 6.6% as compared to the same period of 2021 with -2.1%.

*(Source: Quarterly Construction Statistics, Third Quarter 2022, Department of Statistics Malaysia)*

### Residential property

There were 116,178 transactions worth RM45.62 billion recorded in the first half of 2022, increased by 26.3% in volume and 32.2% in value year-on-year. Performance across the states in the first half of 2022. All states recorded higher market volume. The four major states namely Pulau Pinang, WP Kuala Lumpur, Johor and Selangor recorded an increase of 37.8%, 28.4%, 20.2% and 16.0% respectively. Combined, these states formed about 47% of the total national residential volume. The primary market saw fewer new launches in the first half of 2022, reflecting the cautionary sentiment among developers. There were 10,552 units launched, down by 66.7% against 31,687 units (revised) in the first half of 2021. Against the first half of 2021, the new launches were lower by 13.3% (H2 2021: 12,173 units). Sales performance for new launches recorded at 20.3%, slightly lower compared to the first half of 2021 (revised 20.6%) and second half of 2021 (28.1%).

Johor recorded the highest number of new launches in the country, capturing nearly 23.8% (2,509 units) of the national total with sales performance at 31.8%. Sabah recorded the second highest number (1,335 units, 12.7% share) with sales performance at 10.6%. Perak came third (1,317 units, 12.5% share) with sales performance at 19.4%. Terraced houses dominated the new launches. Single storey (2,047 units) and 2-3 storey (5,150 units) together contributed 68.2% of the total units with sales performance at 22.0%, followed by condominium/ apartment units at 19.0% share (2,009 units) with sales performance at 12.4%.

In the first half of 2022, the residential overhang situation improved as the numbers reduced. A total of 34,092 overhang units worth RM21.73 billion was recorded, showing a decrease of 7.5% and 4.6% in volume and value respectively against second half of 2021. Likewise, the unsold under construction residential units saw a decrease of 11.1% to 62,404 units compared to second half of 2021 (70,231 units). Johor retained the highest number and value of overhang in the country with 6,040 units worth RM4.73 billion, accounting to 17.7% and 21.8% in volume and value respectively of the national total. Pulau Pinang ranked second with 16.2% share (5,508 units; RM3.64 billion), and followed by Selangor with 15.1% share (5,156 units; RM4.71 billion). Condominium/apartment formed 58.7% (20,025 units) of the national overhang, followed by terraced (20.8%; 7,095 units). The high-end price range at more than RM500,000 took up the largest share, accounting for 43.4% (14,794 units) of total overhang. Those priced at RM300,000 and below accounted for 28.3% (9,655 units) while RM300,001 to RM500,000 took up 28.3% (9,643 units).

On the supply front, residential construction activity recorded an increase in completion and new planned supply, each up by 5.9% and 12.9% respectively whilst housing starts decreased 7.2% compared to similar period last year. WP Kuala Lumpur contributed the highest number of completions, accounting for 28.2% (8,939 units) of the national total, followed by Selangor (27.4%) and Johor (8.7%). As at end-June 2022, there were approximately 6.02 million existing residential units and 0.41 million in the incoming supply with nearly 0.42 million in the planned supply.

### Commercial property

There were 15,169 transactions worth RM14.02 billion recorded, up by 45.4% in volume and 28.3% in value compared to the same period last year. All states recorded more market activity in the review period except for WP Labuan and Kelantan.

In terms of transaction value, all states recorded higher value except 3 states which recorded contraction in WP Labuan (-46.7%), Kelantan (-33.6) and Sarawak (-18.3%). Selangor contributed the highest volume and value to the national market share, with 26.5% in volume (4,025 transactions) and 33.5% in value (RM4.70 billion); followed by WP Kuala Lumpur with 14.5% in volume (2,199 transactions) and 23.5% in value (RM3.30 billion) and Johor with 15.1% in volume (2,283 transactions) and 13.4% in value (RM1.88 billion).

Shop segment recorded 7,961 transactions worth RM6.52 billion, dominating 52.5% of the commercial property transactions and 46.5% of the total value. Both volume and value increased by 51.2% and 57.9% respectively compared to similar period last year. Selangor and Johor contributed higher market transaction volume to the national total, each with 19.5% (1,549 transactions) and 17.6% (1,404 transactions) market share. Two and two and a-half storey shops captured 53.0% (4,217 transactions) of the shops' market share.

Shop sub-sector overhang increased in the first half of 2022. There were 6,796 units worth RM6.12 billion, indicating an increase of 2.8% in volume against the preceding half year. The unsold under construction and not constructed saw the reverse, down by 21.9% (3,045 units) and 0.7% (398 units) respectively. On the supply front, construction activity recorded an increase in completion, starts and new planned supply, each up by 29.8% to 1,771 units, 12.4% to 1,270 units and 21.8% to 1,268 units respectively against similar period last year. As end of June 2022, there were more than 545,000 existing shops with more than 28,000 units in the incoming supply and planned supply. Two to two and a-half storey shops were dominant across all development stages.

Serviced apartment sub-sector recorded 2,880 transactions worth RM1.87 billion, formed 19.0% of the commercial property transactions volume and 13.3% of the value. Market performance recorded an increase of 50.6% in volume and 55.0% in value compared to similar period last year. WP Kuala Lumpur and Selangor contributed higher market volume, each with 44.2% (1,274 transactions) and 36.6% (1,053 transactions) market share. Serviced apartment sub-sector recorded 22,674 overhang units with a value of RM19.32 billion, indicating a decrease of 6.7% and 5.6% in volume and value respectively against second half of 2021. Likewise, the unsold under construction recorded 39,609 units, slightly reduced by 5.9%. Johor recorded the highest overhang in the country with 68.0% (15,423 units), followed by WP Kuala Lumpur and Selangor, with 18.9% (4,279 units) and 9.9% (2,248 units) share respectively. Those in the range of RM500,000 to RM1 million (14,851 units) formed 65.5%, while above RM1 million formed 23.5% (5,321 units) of the total overhang. On the supply front, construction activities saw a mixed trend with completions increased by more than one-fold to 9,677 units whereas starts decreased by 67.2% to 6,982 units and new planned supply down 17.9% to 6,022 units against similar half last year. As of end-June 2022, there were more than 304,000 existing serviced apartments with more than 154,000 units in the incoming supply and nearly 164,000 units in the planned supply.

The review period recorded five commercial complex transactions with an accumulative worth of RM120 million; one each in WP Kuala Lumpur, Johor, Perak, WP Putrajaya and Sabah. The performance of shopping complex continued to be moderate in the first half of 2022, with the national occupancy rate saw a slight decline at 75.7% as compared to second half of 2021 (76.3%). There were 17.36 million square meter of existing retail space recorded, increased from 16.93 million square meter as recorded in the first half of 2021. WP Kuala Lumpur and Selangor recorded 81.6% and 77.7% occupancy rate respectively, whereas Johor and Pulau Pinang managed to secure an average occupancy of 72.2% and 71.5% respectively. Meanwhile, Negeri Sembilan and Melaka recorded lowest occupancy rate at 67.1% and 62.5% respectively. On the development front, construction activities recorded a slight increase for completions and starts. Five new completions were recorded injecting nearly 95,000 square meter of space into the market in the first half of 2022 (first half of 2021: 29,469 square meter). The completions were contributed mainly by the extension of Sunway Carnival Mall, Seberang Perai (32,500 square meter), new completion of Datum Mall Jelatek, Selayang (29,449 square meter) and Mydin Hyper Tunjong, Kota Bharu (22,195 square meter). Starts saw four buildings with a total retail space of 81,772 square meter. There were another 40 complexes (1.56 million square meter) in the incoming supply and with another nine complexes (0.30 million square meter) in the planned supply. Selangor dominated the incoming supply at 31.1% (484,488 square meter), followed by WPKL at 29.1% (453,926 square meter) and Pulau Pinang at 12.2% (190,552 square meter) in planned supply.

Ten office building transactions with an accumulated worth of more than RM0.79 billion were recorded in the first half of 2022. The performance of purpose-built office decreased to 77.7% lower than first half of 2021 (78.5%). The purpose-built-office consists of 1,565 private-owned buildings (18,155,972 square meter) and 1,010 public-owned buildings (6,018,590 square meter). As for the private office buildings, the average occupancy stood at 70.8%, declined marginally from 71.7% (first half of 2021). Pulau Pinang secured a higher occupancy rate at 81.2% while Kuala Lumpur, Selangor and Johor recorded lower than the national level at 70.0%, 67.8%, and 61.1%, respectively. Private office buildings in Putrajaya recorded the lowest occupancy rate at 45.4%. On the development front, construction activities recorded a sharp decline for completions. Three new completions were recorded, offering a total space of 114,716 square meter lower than 505,842 square meter recorded in the first half of 2021. As at end of June 2022, there was a total of 24.17 million square meter existing office space from 2,575 buildings. WP Kuala Lumpur was the lead contributor for office space with a share of 41.0% (9.91 million square meter) in the existing market, 56.9% (0.87 million square meter) in incoming supply and 80.9% (0.86 million square meter) in planned supply. Selangor ranked second place in the existing office space.

Several transactions for leisure commercial property were recorded in the first half of 2022 with an accumulated worth of slightly more than RM243 million offering 695 rooms, increased by more than one-fold compared to the same period last year (first half of 2021: three hotels; 337 rooms). As at end of June 2022, there were 3,511 hotels across the country offering 270,652 rooms. Another 79 hotels (16,785 rooms) in the incoming supply and 98 hotels (19,129 rooms) at the planned supply stage.

#### Industrial property

The industrial sub-sector recorded 3,830 transactions worth RM10.75 billion in the first half of 2022. Compared to the same period last year, the market activity increased by 49.5% in volume and 66.0% in value. Selangor continued to dominate the market, with 31.8% (1,219 transactions) of the nation's volume, followed by Johor and Perak, each with 13.8% and 9.0% market share. Terraced factory formed 31.4% of the total industrial transactions, followed by vacant plots (29.5%), and semi-detached factory (23.2%).

The industrial overhang remained minimal at 1,071 units worth RM1.39 billion, indicating a marginal decline of 5.2% and 12.2% in volume and value, respectively (second half of 2021: 1,130 overhang units worth RM1.58 billion). On a similar note, the unsold under construction category declined by 22.9% with 504 units compared to second half of 2021 at 654 units. The unsold not constructed recorded 43 units, more than 22 units recorded in second half of 2021.

On the construction front, the industrial sub-sector remains on a low tone. Completions recorded 118 units, starts 265 units and new planned supply 118 units. As of end-June 2022, there were 119,551 existing industrial units with 4,620 units in the incoming supply and 6,572 units in the planned supply. Selangor and Johor led the existing stock and incoming supply with a combine market share of 50.2% and 54.8% in the related development stages while Melaka led planned supply with 27.1% share (1,783 units).

*(Source: Property Market Report 1<sup>st</sup> half of 2022, Valuation and Property Services Department Malaysia, Ministry of Finance Malaysia)*

#### **4.4 Overview and outlook of the construction and property industry in Northern Region of Malaysia**

##### Residential property

The transactions volume for residential sub-sector improved across all states within the region, especially in Pulau Pinang which seen transaction soared by 37.8%, followed by Perak by 35.9%, Perlis by 27.0% and Kedah by 9.9%. In term of transaction value, all states showed upward trend, led by Pulau Pinang by 42.5% and followed by Perak by 37.5%, Perlis by 31.5% and Kedah by 7.6%.

Compared to first half of 2021, primary market in the region was inactive and all states recorded a decline in new launches. Overall, the northern region saw a 72.9% drop in new launches. By property type, single and double storey terraced houses formed the bulk of the new launches in Perak and Perlis. Meanwhile, single storey semi detached house was the main contributor to Kedah newly launched units while apartments are the main contributors to newly launched units in Pulau Pinang.

The residential overhang situation remained challenging in Pulau Pinang as the number and value of overhang continued to increase in the first half of 2022. In contrast, Perak, Kedah dan Perlis showed better performance with the reduction of overhang units and value. Unsold under construction in Perlis elevated to 252 units compared to second half of 2021. However, situation in Perak, Pulau Pinang and Kedah eased as unsold unit reduced by 14.3%, 12.0% and 3.6% respectively. Unsold not constructed situation improved in Kedah as Kedah recorded lower number of units compared to second half of 2021. Pulau Pinang and Kedah recorded higher number of units compared to second half of 2021 while there were no unsold units in Perlis.

More construction activities were recorded in the Northern Region in the first half of 2022. Completed units for all states decreased except for Perlis which doubled compared to the first half of 2021. Starts in all states increased except for Kedah and Perlis which decreased by 5.7% and 32.7%. New planned supply for all states decreased except for Perak which increased by 13.1% compared to the first half of 2021.

### Commercial property

The commercial sub-sector recorded 2,782 transactions worth RM1.61 billion in the review period. The transactions volume increased by 39.8% as compared to the first half of 2021 while the transaction value increased by 48.5%. Transaction value for all the states showed double-digits growth except for Kedah which increased by 103.8%. Shop sub-sector remained as key contributor to the commercial property market in the Northern Region, accounting 71.3% (1,983 transactions worth RM1.13 billion) of the commercial property transactions (2,782 transactions worth RM1.61 billion). By state, Perak led the market with 44.9% share, followed by Pulau Pinang by 27.0%, Kedah by 25.1% and Perlis by 3.1%. Likewise in terms of transaction value, Pulau Pinang drove the market with 39.4% share, followed by Perak by 38.4%, Kedah by 19.3% and Perlis by 2.9%. Against the second half of 2021, the shop overhang decreased in Northern Region by 8.3%. Correspondingly, overhang value in Northern Region also decreased. In addition to that, unsold under construction in this region recorded a reduction of 41.4%. All states were unencumbered with any unsold not constructed during review period except for Kedah with 17 units. The construction activities varied among the states in Northern Region. Completion for all states increased except for Penang and Kedah which decreased by 91.1% and 56.8% compared to the first half of 2021. Starts in Pulau Pinang and Perak increased except for Kedah which decreased by 75.3% while there were no starts in Perlis. New planned supply declined in all states while there was no new planned supply in Perlis.

There were 98 transactions worth RM66.32 million of service apartment/ SOHO recorded in the Northern Region. The transaction volume increased by 4.3% as compared to the first half of 2021 (94 transactions worth RM53.17 million). Besides, transaction value also raised by 24.7%. Against the second half of 2021, the overhang for serviced apartment/ SOHO in Pulau Pinang decreased to 280 units worth RM341.63 million (second half 2021: 345 units worth RM412.40 million). Compared to Pulau Pinang, there were no overhang in Perak, Kedah and Perlis. Unsold under construction in Pulau Pinang decreased by 17.8% to 2,391 units, meanwhile Perak dropped by 26.9% to 408 units. All states were unencumbered with unsold not constructed except for Pulau Pinang which recorded 411 units. The new construction activity was less active in the first half of 2022. Only Pulau Pinang recorded 1,422 units in the new planned supply. Other states did not record any new activity.

The first half of 2022 recorded one transaction of shopping Complex in Northern Region, namely Econsave Hypermarket in Ipoh, Perak. There is a total of 3 shopping complexes were completed in Northern Region within the first half of 2022.

The purpose-built office segment showed mixed performance within the first half of 2022. The overall occupancy rate in Pulau Pinang and Perak increased by 0.6% and 0.7% respectively while that of Kedah dropped by 0.6%. The new construction activity was less active. There was only one building completed, namely Pejabat Bonanza Venture Holdings at Ipoh, Perak offering 2,738 square meter office space.

The review period saw no transactions in the Northern Region for the leisure commercial property. In the leisure sub-sector, 3 hotels were completed during the first half of 2022, namely Amari Spice Penang, Citi Villa Hotel and Victoria Garden Hotel which are equipped with 453 rooms, 54 rooms and 80 rooms. There is 1 hotel recorded in the new planned supply during the review period, which is Hotel Lot 373 Macalister in Penang offering 29 rooms once completed.

*(Source: Northern Region Property Market Report 1<sup>st</sup> half of 2022, Valuation and Property Services Department Malaysia, Ministry of Finance Malaysia)*

#### **4.5 Prospect and outlook of the Batu Maung Land**

The Batu Maung Land with a size of approximately 260,988 square feet, is situated at the south-eastern portion of Penang Island, which abuts onto the sea (South Channel) in the locality of Batu Maung will provide ATTA Group with the flexibility to undertake a mixed property development project in the future, if it decides to do so. With gradually rebounding economic activities along with the surroundings, the strategic location of the Batu Maung Land is anticipated to appreciate its market and commercial values moving forward. The matured and developed surroundings also made Batu Maung Land a strategic location that will provide ATTA Group with the flexibility to undertake mixed property development projects in the future.

The Board currently intends to hold the Batu Maung Land as part of its investment property or lease the Batu Maung Land to the ship building or ship repair providers following the completion of the Proposed Acquisition and prior to the finalisation of the development plan, given that the Batu Maung Land has demonstrated its viability in operating such business activities as set out in **Section 3** of Part A of this Circular. As at the LPD, the Company has yet to enter into negotiation or finalising the terms of the lease agreement with any parties to lease the Batu Maung Land as part of its property investment business.

In Penang, the property industry has been growing rapidly in recent years, driven by the state's popularity as a tourist destination and a hub for technology and manufacturing industries. The state government has introduced various measures to support the industry, such as the Penang 2030 vision, which aims to create a sustainable and liveable environment for residents and businesses. The plan includes initiatives to enhance public transportation, improve accessibility, and promote green and sustainable development. The state government has invested in infrastructure development to support the growth of the property industry. This includes the construction of new highways, the expansion of the Penang International Airport, and the development of the Penang South Reclamation project that aims to create a new economic hub in the southern part of the state. The prospect of Batu Maung Land for property development purposes can be very attractive, as it has the potential to generate significant returns on investment. However, the success on the development of the Batu Maung Land requires careful planning and consideration of several factors, including location, zoning and regulatory restrictions, market demand, financing, and project feasibility.

The prospect of leasing the Batu Maung Land as a shipyard for ship repair companies can be promising, especially in areas with a high volume of marine traffic or a strong maritime industry presence such as Penang. The demand for ship repair services is consistently high, and shipyards that can efficiently provide these services have the potential to generate revenue. For letting out as a shipyard, the Batu Maung Land is ideally located near a waterway, making it easily accessible for ships to dock and unload. The demand for ship repair services is expected to continue growing due to the increase in global trade and shipping activities after the relaxation of COVID-19 restriction measures.

The Board is in the midst of deliberating on the development plan for the Batu Maung Land, and potentially to undertake a residential / commercial development project on the Batu Maung Land depending on the market demand and suitability of the surrounding area. A careful assessment of these factors is necessary to determine the potential value and usage of the Batu Maung Land.



Notwithstanding the above, the details such as duration for completion, expected gross development value and gross development cost for the development project will be ascertained at a future date as the plan is still in the preliminary stages and ATTA Group has yet to determine the final development plan on the Batu Maung Land. Hence, ATTA Group plans to conduct market opportunity analysis and feasibility studies to evaluate various options for property development project to identify the risk-reward profile and most suitable property mix prior to the commencement of development on the Batu Maung Land, which is also dependent on approvals from relevant authorities and market demand.

Nevertheless, the Board is optimistic for the Batu Maung Land's development potential due to its strategic location.

*(Source: The management of ATTA)*

#### **4.6 Prospects and outlook of the ATTA Group**

ATTA Group is principally involved in the iron & steel industry in upstream and downstream sectors of the process of shearing, re-shearing, slitting of steel coil, slitted flat bars, steel roofing, wall cladding structural floor decking, manufacturing and marketing of perforated metal, cables support, systems and screen plate, steel furniture and the industrial recycling of scrap metal. Other businesses include the letting of industrial and commercial assets, provision of management consultancy, property development, construction and property investment sector.

The Proposed Acquisition is in line with ATTA Group's longer-term strategic plan to increase its current land bank for future development and enhance the weightage of the property development segment in ATTA's principal business and operations to increase its revenue stream. The size of the Batu Maung Land of approximately 260,988 square feet with its strategic location will provide ATTA Group with the flexibility to undertake property development projects in the future.

The Board is of the view that the business environment for the principal business, manufacturing and trading of steel products that faced disruption on the production activities (i.e., labour capacity and logistic constraint) and lower global demand due to the ongoing COVID-19 pandemic is improving mainly supported by the ongoing recovery in construction activities. In the meantime, the expansion in residential and non-residential construction activities as well as continuation of several infrastructure projects will boost the demand and prices of iron and steel and other construction-related segments.

The property market demand is expected to remain soft. However, the ATTA Group is focusing on contemporary customers preferences and demands as well as having attractive campaigns to stay competitive.

ATTA Group will closely monitor developments to ascertain the magnitude of the impact of current challenging economic environment and has taken proactive measures to mitigate the impact such as by adopting stricter cost control measures, improving asset utilisation and aligning ATTA Group's cost structure with current operation levels. ATTA Group is cautiously optimistic that it will be able to navigate through these headwinds.

Premised on the above and the overview and outlook of the construction and property industry in Malaysia as set out in **Section 4.3** of Part A of this Circular, the Board is of the view that the Proposed Acquisition is in the best interest of the Company and ATTA Group will be able to deliver positive results and in turn, enhance shareholders' value in ATTA.

*(Source: The management of ATTA)*

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## **5. RISK FACTORS**

### **5.1 Risks relating to the Proposed Acquisition**

#### **5.1.1 Property development risk**

The Proposed Acquisition is subject to risks inherent to the property development business including approval from authorities for the development orders, regulations on property development as well as market demand and competition from the supply of commercial and industrial properties in the surrounding areas of the Batu Maung Land, changing demands for the type of commercial properties, fluctuation in material prices and labour costs, liable for any repair work, reconstruction or rectification of any defects that may arise during defect liability period to its customers, property overhang as well as changes in federal and state policies with regard to property development and the overall economic conditions that could have an impact on the purchasing power and buying sentiments of potential buyers.

ATTA Group seeks to minimise the property development risk by providing quality services and competitive pricing as well as adopting prudent management policies. The above factors may materially and adversely impact the financial performance of ATTA Group moving forward. ATTA Group will seek to minimise the property development risk through leverage on implementing feasible studies, adopting prudent risk management and monitoring the development strategy.

#### **5.1.2 Delay in completion of future projects on Batu Maung Land**

The progress of the Batu Maung Land's future development will be susceptible to a number of risks which include, amongst others, shortages of materials, equipment, skilled labour, increase in construction costs, poor weather conditions, natural disasters, accidents, failure as well as delay in obtaining the approval from relevant authorities.

Such events may lead to interruptions or delays in the completion of any property development project, resulting in cost overruns that would have a negative impact on ATTA Group's profitability and cash flow.

The Board will seek to mitigate such risks through efficient operating procedures, prudent financial management, close monitoring on the development progress, close collaboration with all suppliers, contractors and relevant authorities to ensure that the risk of not completing the development of the Batu Maung Land on scheduled timeline is minimised, after finalisation of the development plan.

#### **5.1.3 Non-approvals from the authorities for the transfer of land title for Lot 6572 and Lot 6602**

Lot 6572 and Lot 6602 of the Batu Maung Land require approval from the relevant authorities for the transfer of Lot 6572 and Lot 6602 to ATTA Group, and for the conversion of the category of land use and upliftment of express conditions on Lot 6572 and Lot 6602 to enable ATTA Group to develop the land. Any changes in the relevant government's policies and measures that are unfavourable to ATTA Group and/or failure in complying with the relevant legislative requirements and laws from time to time, may materially and adversely affect ATTA Group's property development business and future prospect.

There is no assurance that the requisite approvals will be obtained, or obtained within the anticipated time frame. ATTA Group will take all reasonable steps to ensure the relevant approvals to be obtained from the relevant authorities are satisfied within the stipulated timeframe to ensure the successful future development on the Batu Maung Land.

#### **5.1.4 Inability of ATTA Group to secure tenant of the Batu Maung Land to operate as shipyard business prior to the commencement of the property development on the Batu Maung Land**

The Board currently intends to hold the Batu Maung Land as part of its investment property or lease the Batu Maung Land to the ship building or ship repair providers following the completion of the Proposed Acquisition and prior to the finalisation of the development plan on the Batu Maung Land. Therefore, ATTA Group is susceptible to a risk of not able to secure tenant from ship repair company for the Batu Maung Land given the specialised nature of the buildings and infrastructures on the Batu Maung Land for shipyard business purposes only.

This would affect ATTA Group's ability to generate rental income while holding the Batu Maung Land as its investment property prior to the finalisation of the development plan on the Batu Maung Land. The Board will seek to mitigate such risks through prudent management and engagement with ship repair company and close monitoring on the progress in securing suitable tenant for the Batu Maung Land.

#### **5.1.5 Financing risk**

ATTA Group may seek external financing to fund future development costs of its land bank. ATTA Group's ability to arrange for external financing and the cost of such financing are dependent on numerous factors such as macroeconomic and capital market conditions, prevailing interest rates, credit availability from banks or other lenders, or any restrictions imposed by the Government of Malaysia as well as political, social and economic stability in Malaysia. There is no guarantee that the necessary financing will be available in amounts or on conditions that ATTA Group will accept. In addition, ATTA Group may also be exposed to fluctuations in interest rate movements on such external financing obtained. Besides increasing the gearing level, new bank borrowings could result in operating and financial covenants being imposed that may affect ATTA Group's ability to pay dividends to shareholders.

Nevertheless, ATTA Group will actively review its debt position taking into consideration its gearing level, financing costs, as well as cash flows to arrive at the most cost-effective financing options.

#### **5.1.6 Compulsory acquisition by the Government**

The Malaysian Government has the power to compulsorily acquire any land in Malaysia pursuant to the provisions of the applicable legislation including the Land Acquisition Act, 1960. In such event, the amount of compensation to be awarded is based on the market value of the property and is assessed on the basis prescribed in the Land Acquisition Act, 1960 and other relevant laws. If part of ATTA Group's land bank is compulsorily acquired by the Malaysian Government at a point in time when the market value of the land is lower than the purchase price, the compulsory acquisition could financially and adversely affect ATTA Group. Should such circumstances arise, ATTA Group will endeavour to seek a fair compensation from the Malaysian Government based on its purchase price.

Should any compulsory acquisition take place before the completion date of the SPAs, ATTA Group can either (i) proceed with the Proposed Acquisition and all compensation paid shall belong to ATTA Group subject to the full settlement of the Consideration Shares or Purchase Consideration to the Vendors or (ii) to terminate the SPAs. The Board will assess available options and opt for a suitable option in the best interest of ATTA Group.

### **5.2 General risks**

#### **5.2.1 Non-completion of the SPAs**

In the event any of the conditions precedent in the SPAs is not fulfilled or waived, the Proposed Acquisition may be delayed or terminated, and the potential benefits arising therefrom may not materialise.

ATTA Group will take all reasonable steps to ensure the conditions precedent are satisfied within the stipulated timeframe to ensure the completion of the Proposed Acquisition.

### 5.2.2 Contractual risks

ATTA Group may be subject to certain legal risks pursuant to the SPAs or any related documents executed. ATTA Group may be subjected to certain contractual risks such as specific performance or any relief arising from the specific performance as a result of non-fulfilment of its obligations under the respective SPAs. In this respect, ATTA Group endeavours to ensure full compliance in relation to fulfilment of its obligations under the SPAs for the Proposed Acquisition.

### 5.2.3 Exposure to political, economy, monetary, fiscal and social development risks

Adverse developments in the political, economic, monetary, fiscal and social conditions in Malaysia, where ATTA Group operates, could materially and unfavourably affect ATTA Group's business, financial position, results of operations and prospects. Political, economic, monetary, fiscal and social uncertainties that may develop include, but are not limited to the changes in political leadership, risks of war, terrorism, riots, renegotiation or nullification of existing contracts and changes in interests and taxation rates. Although ATTA Group seeks to limit such risks through prudent financial management and efficient operating procedures, there can be no assurance that any changes to these factors, which are beyond ATTA Group's control, will not lead to a material adverse effect on the business and financial performance.

### 5.2.4 Impact of COVID-19 on ATTA's business and operations

On 1 April 2022, Ministry of Health Malaysia (MOH) had examined and reviewed the control and preventive measures of COVID-19 enforced during the transition phase to the endemic phase of COVID-19. On 28 April 2022, the Ministry of Health Malaysia (MOH) announced the relaxation of all standard operating procedures (SOPs) starting 1 May 2022, such as upliftment of the physical distancing requirements and the compulsory scanning of MySejahtera QR code while entering a premises as the rate of hospital admission of COVID-19 cases and the utilisation of intensive care wards are declining over the time. Despite the relaxation of the restrictions and standard operating procedures (SOPs), the impact of containment measure against COVID-19 are expected to decrease on ATTA Group's business and operations.

## 6. EFFECTS OF THE PROPOSED ACQUISITION

The pro forma effects of the Proposed Acquisition on the share capital, consolidated NA and gearing, earnings and EPS, substantial shareholders' shareholdings and convertible securities in ATTA are as illustrated below:

### 6.1 Share capital

The pro forma effects of the Proposed Acquisition on the share capital of the Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Share capital as at the LPD (excluding treasury shares)	368,204,274	324,959,227	368,204,274	324,959,227
Assuming full exercise of Warrants C	-	-	4,837,053	4,208,236 <sup>(1)</sup>
Issuance of Consideration Shares	368,204,274 114,285,600	324,959,227 27,999,972 <sup>(2)</sup>	373,041,327 114,285,600	329,167,463 27,999,972 <sup>(2)</sup>
<b>Enlarged share capital</b>	<b>482,489,874</b>	<b>352,959,199</b>	<b>487,326,927</b>	<b>357,167,435</b>

Notes:

(1) Based on the exercise price of RM0.87 per Warrant C.

(2) Based on issue price of RM0.245 per Consideration Share.

## 6.2 NA and gearing

The pro forma effects of the Proposed Acquisition on the NA and gearing of the Group, based on its audited consolidated financial statements as at 30 June 2022 are as follows:

Minimum Scenario	(Audited) As at 30 June 2022 (RM)	(I) After subsequent events up to the LPD (RM)	(II) After (I) and the Proposed Acquisition (RM)
Share capital	226,568,852	324,959,227 <sup>(1)(2)</sup>	352,959,199 <sup>(6)</sup>
ICPS	93,728,218	- <sup>(3)</sup>	-
Treasury shares	(406)	(406)	(406)
Warrants reserve	1,017,125	1,017,125	1,017,125
Capital reserve	(262,746)	(262,746)	(262,746)
ESOS reserve	107,471	- <sup>(4)</sup>	-
Retained profits	31,743,264	31,587,264 <sup>(5)</sup>	31,207,264 <sup>(7)</sup>
<b>Shareholders' funds/NA</b>	<b>352,901,778</b>	<b>357,300,464</b>	<b>384,920,436</b>
No. of ATTA Shares in issue (excluding treasury shares)	234,967,537	368,204,274	482,489,874
NA per ATTA Share (RM)	1.50	0.97	0.80
Total borrowings (including lease liabilities)	975,141	975,141	975,141
Gearing (times)	Negligible	Negligible	Negligible

Notes:

- (1) After the issuance of 16,076,500 ATTA Shares at RM0.29 each on 16 August 2022 in relation to the private placement exercise pursuant to the general mandate obtained from the Company's shareholders which was completed on 16 August 2022 ("**10% Private Placement**").
- (2) After accounting for the conversion of 1,171,602,720 ICPS into 117,160,237 ATTA Shares at the conversion price of RM0.80 each and after crediting share capital for the corresponding reversal of ICPS reserve. The details of the converted ICPS are as follows:

Listing date	No. of ICPS converted	No. of Shares issued
9 August 2022	170,000	17,000
22 August 2022	1,400,000	140,000
30 August 2022	160,000	16,000
19 September 2022	200,000	20,000
23 September 2022	108,000	10,800
11 October 2022	52,000	5,200
2 November 2022	229,000	22,900
9 November 2022	1,000,000	100,000
23 November 2022	507,700	50,770
25 November 2022	361,500	36,150
7 December 2022	1,167,414,520	116,741,417
<b>Total</b>	<b>1,171,602,720</b>	<b>117,160,237</b>

- (3) After debiting the ICPS reserve and crediting the retained profits for ICPS reserve amounting to RM93,728,218 as a result of its expiry on 28 November 2022.
- (4) After debiting the ESOS reserve and crediting the retained profits for ESOS reserve amounting to RM107,471 as a result of its expiry on 18 October 2022.
- (5) After deducting the expenses of RM156,000 for the 10% Private Placement.
- (6) After accounting for the issuance of 114,285,600 Consideration Shares at an issue price of RM0.245 for the total Purchase Consideration of RM28,000,000.
- (7) After deducting the estimated expenses of RM380,000 for the Proposed Acquisition.

<b>Maximum Scenario</b>	<b>(Audited) As at 30 June 2022  (RM)</b>	<b>(I) After subsequent events up to the LPD (RM)</b>	<b>(II) After (I) and assuming full exercise of the Warrants C (RM)</b>	<b>(III) After (II) and the Proposed Acquisition  (RM)</b>
Share capital	226,568,852	324,959,227 <sup>(1)(2)</sup>	329,167,463 <sup>(6)</sup>	357,167,435 <sup>(7)</sup>
ICPS	93,728,218	- <sup>(3)</sup>	-	-
Treasury shares	(406)	(406)	(406)	(406)
Warrants reserve	1,017,125	1,017,125	-	-
Capital reserve	(262,746)	(262,746)	(262,746)	(262,746)
ESOS reserve	107,471	- <sup>(4)</sup>	-	-
Retained profits	31,743,264	31,587,264 <sup>(5)</sup>	31,587,264	31,207,264 <sup>(8)</sup>
<b>Shareholders' funds/NA</b>	<b>352,901,778</b>	<b>357,300,464</b>	<b>360,491,575</b>	<b>388,111,547</b>
No. of Shares (excluding treasury shares)	234,967,537	368,204,274	373,041,327	487,326,927
NA per Share (RM)	1.50	0.97	0.97	0.80
Total borrowings (RM) (including lease liabilities)	975,141	975,141	975,141	975,141
Gearing (times)	Negligible	Negligible	Negligible	Negligible

Notes:

- (1) After the issuance of 16,076,500 ATTA Shares at RM0.29 each on 16 August 2022 in relation to the 10% Private Placement.
- (2) After accounting for the conversion of 1,171,602,720 ICPS into 117,160,237 ATTA Shares at the conversion price of RM0.80 each and after crediting share capital for the corresponding reversal of ICPS reserve. The details of the converted ICPS are as follows:

<b>Listing date</b>	<b>No. of ICPS converted</b>	<b>No. of Shares issued</b>
9 August 2022	170,000	17,000
22 August 2022	1,400,000	140,000
30 August 2022	160,000	16,000
19 September 2022	200,000	20,000
23 September 2022	108,000	10,800
11 October 2022	52,000	5,200
2 November 2022	229,000	22,900
9 November 2022	1,000,000	100,000
23 November 2022	507,700	50,770
25 November 2022	361,500	36,150
7 December 2022	1,167,414,520	116,741,417
<b>Total</b>	<b>1,171,602,720</b>	<b>117,160,237</b>

- (3) After debiting the ICPS reserve and crediting the retained profits for ICPS reserve amounting to RM93,728,218 as a result of its expiry on 28 November 2022.
- (4) After debiting the ESOS reserve and crediting the retained profits for ESOS reserve amounting to RM107,471 as a result of its expiry on 18 October 2022.
- (5) After deducting the expenses of RM156,000 for the 10% Private Placement.
- (6) After the exercise of 4,837,053 Warrants C into 4,837,053 new ATTA Shares at the exercise price of RM0.87 each.
- (7) After accounting for the issuance of 114,285,600 Consideration Shares at an issue price of RM0.245 for the total Purchase Consideration of RM28,000,000.
- (8) After deducting the estimated expenses of RM380,000 for the Proposed Acquisition

### 6.3 Earnings and EPS

The Proposed Acquisition is not expected to have any material effect on the Group's earnings for the financial year ending 30 June 2023 as the Proposed Acquisition is expected to be completed in the 1st half of 2023 and ATTA Group has yet to formalise the development plan on the Batu Maung Land. The issuance of Consideration Shares will cause the ATTA's EPS to be diluted as a result of the increase in the number of ATTA Shares. However, the Proposed Acquisition is expected to contribute positively to the future earnings and EPS of ATTA Group when the economic and financial benefits from the development of Batu Maung Land are materialised.

## 6.4 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Acquisition on the substantial shareholders' shareholdings in the Company based on the Record of Depositors of the Company as at the LPD are as follows:

### Minimum Scenario

	As at the LPD				(I) After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
G Reka Management Sdn Bhd (formerly known as G Reka Perunding Sdn Bhd) ("G Reka")	50,020,000	13.58	-	-	50,020,000	10.37	-	-
Goh Chin Heng	-	-	50,020,000 <sup>(1)</sup>	13.58	-	-	50,020,000 <sup>(1)</sup>	10.37
Tan Kim Hee	53,500,000	14.53	-	-	53,500,000	11.09	-	-
Ooi Chieng Sim	21,980,985	5.97	16,200,000 <sup>(2)</sup>	4.40	21,980,985	4.56	16,200,000 <sup>(2)</sup>	3.36
TAC Wind Sdn Bhd ("TAC")	21,500,000	5.84	-	-	21,500,000	4.46	-	-
HLS Properties Sdn Bhd ("HLS")	20,422,130	5.55	-	-	20,422,130	4.23	-	-
A1 Capital Sdn Bhd ("A1 Capital")	19,513,354	5.30	20,422,130 <sup>(3)</sup>	5.55	19,513,354	4.04	20,422,130 <sup>(3)</sup>	4.23
Lim Seow Chin	17,824,915	4.84	10,821,897 <sup>(4)</sup>	2.94	17,824,915	3.69	10,821,897 <sup>(4)</sup>	2.24
Skylitech Resources Sdn Bhd ("Skylitech")	16,200,000	4.40	-	-	16,200,000	3.36	-	-
Lagenda Perdana Sdn Bhd ("Lagenda")	10,821,897	2.94	-	-	10,821,897	2.24	-	-
Kwan Seong Kee	-	-	39,935,484 <sup>(5)</sup>	10.85	-	-	39,935,484 <sup>(5)</sup>	8.28
Teow Wooi Pin	-	-	21,500,000 <sup>(6)</sup>	5.84	-	-	21,500,000 <sup>(6)</sup>	4.46
Teow Chee Chow	-	-	21,500,000 <sup>(6)</sup>	5.84	-	-	21,500,000 <sup>(6)</sup>	4.46
<b><u>Vendors</u></b>								
Limbongan	-	-	-	-	69,387,700	14.38	-	-
Utopia	-	-	-	-	44,897,900	9.31	69,387,700 <sup>(8)</sup>	14.38
Dato' Lio Chee Yeong	2,070,000	0.56	32,000 <sup>(7)</sup>	0.01	2,070,000	0.43	114,317,600 <sup>(7)(9)</sup>	23.69
Lim Yeow Teoh	-	-	-	-	-	-	114,285,600 <sup>(9)</sup>	23.69

Notes:

- (1) Deemed interested by virtue of his shareholding in G Reka pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of his interest in Skylitech pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of its shareholding in HLS pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of her shareholding in Lagenda pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of his shareholding in HLS (through A1 Capital) and his shareholding in A1 Capital pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of their shareholdings in TAC pursuant to Section 8 of the Act.
- (7) Deemed interested by virtue of his spouse's (Datin Chuah Wan Lay) shareholding in ATTA pursuant to Section 8 of the Act.
- (8) Deemed interested by virtue of its shareholding in Limbongan pursuant to Section 8 of the Act.
- (9) Deemed interested by virtue of their substantial shareholdings in Limbongan (through Utopia) and their substantial shareholdings in Utopia pursuant to Section 8 of the Act.

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**Maximum Scenario**

	As at the LPD				(I) Assuming full exercise of the Warrants C			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
G Reka	50,020,000	13.58	-	-	50,020,000	13.41	-	-
Goh Chin Heng	-	-	50,020,000 <sup>(1)</sup>	13.58	-	-	50,020,000 <sup>(1)</sup>	13.41
Tan Kim Hee	53,500,000	14.53	-	-	53,500,000	14.34	-	-
Ooi Chieng Sim	21,980,985	5.97	16,200,000 <sup>(2)</sup>	4.40	21,980,985	5.89	16,200,000 <sup>(2)</sup>	4.34
TAC	21,500,000	5.84	-	-	21,500,000	5.76	-	-
HLS	20,422,130	5.55	-	-	20,472,130	5.49	-	-
A1 Capital	19,513,354	5.30	20,422,130 <sup>(3)</sup>	5.55	19,513,354	5.23	20,472,130 <sup>(3)</sup>	5.49
Lim Seow Chin	17,824,915	4.84	10,821,897 <sup>(4)</sup>	2.94	17,824,915	4.78	10,821,897 <sup>(4)</sup>	2.90
Skylitech	16,200,000	4.40	-	-	16,200,000	4.34	-	-
Lagenda	10,821,897	2.94	-	-	10,821,897	2.90	-	-
Kwan Seong Kee	-	-	39,935,484 <sup>(5)</sup>	10.85	-	-	39,935,484 <sup>(5)</sup>	10.72
Teow Wooi Pin	-	-	21,500,000 <sup>(6)</sup>	5.84	-	-	21,500,000 <sup>(6)</sup>	5.76
Teow Chee Chow	-	-	21,500,000 <sup>(6)</sup>	5.84	-	-	21,500,000 <sup>(6)</sup>	5.76
<b><u>Vendors</u></b>								
Limbongan	-	-	-	-	-	-	-	-
Utopia	-	-	-	-	-	-	-	-
Dato' Lio Chee Yeong	2,070,000	0.56	32,000 <sup>(7)</sup>	0.01	2,070,000	0.55	32,000 <sup>(7)</sup>	0.01
Lim Yeow Teoh	-	-	-	-	-	-	-	-

	(II) After (I) and the Proposed Acquisition			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
G Reka	50,020,000	10.26	-	-
Goh Chin Heng	-	-	50,020,000 <sup>(1)</sup>	10.26
Tan Kim Hee	53,500,000	10.98	-	-
Ooi Chieng Sim	21,980,985	4.51	16,200,000 <sup>(2)</sup>	3.32
TAC	21,500,000	4.41	-	-
HLS	20,472,130	4.20	-	-
A1 Capital	19,513,354	4.00	20,472,130 <sup>(3)</sup>	4.20
Lim Seow Chin	17,824,915	3.66	10,821,897 <sup>(4)</sup>	2.22
Skylitech	16,200,000	3.32	-	-
Lagenda	10,821,897	2.22	-	-
Kwan Seong Kee	-	-	39,985,484 <sup>(5)</sup>	8.21
Teow Wooi Pin	-	-	21,500,000 <sup>(6)</sup>	4.41
Teow Chee Chow	-	-	21,500,000 <sup>(6)</sup>	4.41
<b><u>Vendors</u></b>				
Limbongan	69,387,700	14.24	-	-
Utopia	44,897,900	9.21	69,387,700 <sup>(8)</sup>	14.24
Dato' Lio Chee Yeong	2,070,000	0.42	114,317,600 <sup>(7)(9)</sup>	23.46
Lim Yeow Teoh	-	-	114,285,600 <sup>(9)</sup>	23.45

Notes:

- (1) Deemed interested by virtue of his shareholding in G Reka pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of his interest in Skylitech pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of its shareholding in HLS pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of her shareholding in Lagenda pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of his shareholding in HLS (through A1 Capital) and his shareholding in A1 Capital pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of their shareholdings in TAC pursuant to Section 8 of the Act.
- (7) Deemed interested by virtue of his spouse's (Datin Chuah Wan Lay) shareholding in ATTA pursuant to Section 8 of the Act.
- (8) Deemed interested by virtue of its shareholding in Limbongan pursuant to Section 8 of the Act.
- (9) Deemed interested by virtue of their substantial shareholdings in Limbongan (through Utopia) and their substantial shareholdings in Utopia pursuant to Section 8 of the Act.



Upon completion of the Proposed Acquisition, the Vendors will emerge as the largest shareholder of ATTA. At this juncture, the Proposed Acquisition will not result in the appointment of any new directors to the Board of ATTA.

As at the LPD, the Group has a public shareholding spread of approximately 44.25%. Upon completion of the Proposed Acquisition the Company's pro forma public shareholding spread would be approximately 54.41% under the Minimum Scenario and approximately 47.55% under the Maximum Scenario.

The issuance of Consideration Shares will not result in non-compliance of the public shareholding spread requirement by ATTA pursuant to Paragraph 8.02 of the Listing Requirements as the allotment of the Consideration Shares at any point in time is not expected to result in any non-compliance by the Company with the public shareholding spread requirement under Paragraph 8.02 of the Listing Requirements.

The issuance of Consideration Shares pursuant to the Proposed Acquisition will result in the dilution of the existing shareholders shareholdings in ATTA as follows:

**Minimum Scenario:**

<b>Illustrative effects</b>	<b>As at the LPD</b>	<b>After the Proposed Acquisition</b>
No. of ATTA Shares in issue (excluding treasury shares)	368,204,274	482,489,874 (inclusive of 114,285,600 Consideration Shares)
Aggregate shareholding percentage of the Company's existing shareholders	100%	76.31%

**Maximum Scenario:**

<b>Illustrative effects</b>	<b>As at the LPD</b>	<b>Assuming full exercise of the Warrants C</b>
No. of ATTA Shares in issue (excluding treasury shares)	368,204,274	373,041,327
Aggregate shareholding percentage of the Company's existing shareholders	100%	100%

<b>Illustrative effects</b>	<b>After the Proposed Acquisition</b>
No. of ATTA Shares in issue (excluding treasury shares)	487,326,927 (inclusive of 114,285,600 Consideration Shares)
Aggregate shareholding percentage of the Company's existing shareholders	76.55%

**6.5 Convertible securities**

As at the LPD, the Company does not have any outstanding convertible securities except for the outstanding Warrants C.

## 7. HISTORICAL PRICES OF ATTA SHARES

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

	Highest (RM)	Lowest (RM)
<b>2022</b>		
March	0.390	0.300
April	0.395	0.335
May	0.355	0.310
June	0.345	0.310
July	0.340	0.275
August	0.360	0.310
September	0.335	0.285
October	0.300	0.260
November	0.305	0.265
December	0.340	0.285
<b>2023</b>		
January	0.395	0.280
February	0.385	0.340

(Source: Bloomberg Finance L.P.)

The last transacted market price of ATTA Shares on 8 November 2022 (being the last trading date prior to the Announcement) was RM 0.285.

The last transacted market price of ATTA Shares on 3 March 2023 (being the LPD) was RM0.345.

## 8. APPROVALS REQUIRED

The Proposed Acquisition is subject to and conditional upon the following approvals being obtained from the following:

- (i) Bursa Securities for the listing of and quotation for 114,285,600 Consideration Shares to be issued pursuant to the Proposed Acquisition on the Main Market of Bursa Securities;
- (ii) the shareholders of ATTA at the EGM to be convened. Pursuant to subparagraph 10.02(g) of the Main Market Listing Requirements, the highest percentage ratios applicable to the Proposed Acquisition is 45.46%, calculated based on 114,285,600 ATTA Shares to be issued as consideration for the aggregate value of Purchase Consideration of RM28,000,000 against 251,375,937 ATTA Shares in issue (excluding treasury shares); and
- (iii) the State Consent from the Land Office (Pejabat Tanah dan Galian Negeri Pulau Pinang) for the transfer of land title for Lot No. PT 6572 and Lot No. PT 6602.

The approval of Bursa Securities, which was obtained on 27 February 2023, is subject to the following conditions:

	Condition	Status of compliance
(a)	ATTA and TA Securities must fully comply with the relevant provisions under the Listing Requirements at all times pertaining to the implementation of the issuance of the Consideration Shares pursuant to the Proposed Acquisition, including compliance with the public shareholdings spread pursuant to Paragraph 8.02(1) of the Listing Requirements upon issuance and allotment of the Consideration Shares;	To be complied

	<b>Condition</b>	<b>Status of compliance</b>
(b)	ATTA and TA Securities to inform Bursa Securities upon completion of the Proposed Acquisition;	To be complied
(c)	ATTA to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at the extraordinary general meeting for the Proposed Acquisition prior to the listing and quotation of the Consideration Shares to be issued pursuant to the Proposed Acquisition; and	To be complied
(d)	ATTA to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Acquisition is completed.	To be complied

### **Pre-emptive rights pursuant to Section 85 of the Act and the Company's Constitution**

Pursuant to Section 85 of the Act read together with Article 3.3(4) of the Company's Constitution, the Company's shareholders have pre-emptive rights to be offered any new Shares issued by the Company which rank equally to the existing issued Shares or other convertible securities in the Company ("**Pre-emptive Rights**").

Section 85 of the Act provides as follows:

- (1) *Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.*
- (2) *An offer under subsection (1) shall be made to the holders of existing shares in a notice specifying the number of shares offered and the time frame of the offer within which the offer, if not accepted, is deemed to be declined.*
- (3) *If the offer is not accepted after the expiry of the period specified in the notice under subsection (2), the directors may dispose those shares in such manner as the directors think most beneficial to the company.*

Article 3.3(4) of the Company's Constitution provides as follows:

*"Subject to any direction to the contrary that may be given by the Company in general meeting all new shares or other convertible securities shall, before issue be offered to such persons who at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiry of that time, or on the receipt of an intimation from the person to whom the offer is made he declines to accept the shares or securities offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company.*

*The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares bear to shares or securities held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under the Article."*

Therefore, in order for the Company to issue Consideration Shares pursuant to the Proposed Acquisition free of the Pre-emptive Rights, the Pre-emptive Rights must first be waived by the Company's shareholders. As such, waiver of the Pre-emptive Rights will be tabled at the forthcoming EGM to seek for the Company's shareholders' approval under the ordinary resolution for the Proposed Acquisition.

In addition, the passing of the ordinary resolution for the Proposed Acquisition shall be taken as the members agree for the Consideration Shares to be issued to the Vendors pursuant to the Proposed Acquisition without first being offered to the existing holders of the ATTA Shares.

**9. CONDITIONALITY**

The Proposed Acquisition is not conditional upon any other proposals undertaken or to be undertaken by the Company.

**10. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION**

The Board confirms that there is no other corporate exercise which the Company has announced but not yet completed prior to the date of this Circular.

**11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED**

None of the Company's directors, major shareholders, chief executive and/or persons connected with them has any interest, direct and/or indirect, in the Proposed Acquisition.

**12. RECOMMENDATION AND BASIS OF RECOMMENDATION**

After having considered all aspects of the Proposed Acquisition, the Board is of the opinion that the Proposed Acquisition is in the best interests of the Company. Accordingly, the Board recommends that shareholders vote in favour of the resolution in respect of the Proposed Acquisition to be tabled at the forthcoming EGM.

**13. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposed Acquisition to be completed in the 1<sup>st</sup> half of 2023. The indicative timetable of events in relation to the Proposed Acquisition is set out below:

<b>Tentative Date</b>	<b>Events</b>
1 April 2023	EGM
July 2023	SPAs becomes unconditional Listing of the Consideration Shares Completion of the Proposed Acquisition

**14. EGM**

The EGM, the notice of which is set out in this Circular, will be held at The Light Hotel, Lebu Tenggeri 2, 13700 Seberang Jaya, Pulau Pinang on Monday, 3 April 2023 at 4.00 p.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing with or without modifications, the resolutions to give effect to the Proposed Acquisition.

If shareholders decide to appoint a proxy or proxies to participate and vote on behalf at the forthcoming EGM, please complete, sign and return the enclosed Form of Proxy in accordance with the instructions provided thereon so as to arrive at Boardroom Share Registrars Sdn Bhd's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof either by hand, post, courier or electronic mail to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com).

Alternatively, the Form of Proxy can be submitted by electronic means through the Boardroom Share Registrars Sdn Bhd's website, Boardroom Smart Investor Online Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit the Form of Proxy electronically before the aforesaid lodgement cut-off time.

The lodging of the Form of Proxy will not, however, preclude you from attending the EGM and voting in person should you subsequently wish to do so.

**15. FURTHER INFORMATION**

Shareholders are advised to refer to the appendices of this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**ATTA GLOBAL GROUP BERHAD**

**DATO' SRI TAJUDIN BIN MD ISA**  
Chairman, Independent Non-Executive Director

**PART B**

**LETTER TO THE SHAREHOLDERS IN RELATION TO THE PROPOSED CHANGE OF NAME**



**ATTA GLOBAL GROUP BERHAD**  
(Registration No. 198101012950 (79082-V))  
(Incorporated in Malaysia)

**Registered Office:**

No. 55A, Medan Ipoh 1A  
Medan Ipoh Bistari, 31400 Ipoh  
Perak Darul Ridzuan, Malaysia

10 March 2023

**Board of Directors**

Dato' Sri Tajudin Bin Md Isa (*Chairman / Independent Non-Executive Director*)  
Tan Kim Hee (*Executive Director*)  
Goh Chin Heng (*Executive Director*)  
Chow Choon Hoong (*Executive Director*)  
Tan Qian Hui (*Non-Independent Non-Executive Director*)  
Loh Yee Sing (*Independent Non-Executive Director*)  
Ravi Chandran A/L Subash Chandran (*Independent Non-Executive Director*)  
Leong Wai Kuan (*Independent Non-Executive Director*)

**To: Shareholders of ATTA**

Dear Shareholders,

**PROPOSED CHANGE OF NAME**

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**1. INTRODUCTION**

On 1 March 2023, the Board had announced that the Company proposed to change its name from “ATTA Global Group Berhad” to “Mayu Global Group Berhad”.

The purpose of Part B of this Circular is to provide the shareholders of ATTA with the details of the Proposed Change of Name, and to seek shareholders’ approval in respect of the Special Resolution pertaining to the Proposed Change of Name to be tabled at the forthcoming EGM of the Company, or any adjournment thereof. The Notice of EGM, together with the Form of Proxy, are enclosed herewith in this Circular.

**THE SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF PART B OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED CHANGE OF NAME AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSED CHANGE OF NAME**

The proposed name “Mayu Global Group Berhad” was approved by the CCM on 10 January 2023 and the reservation for the use of the proposed name was valid for 30 days from 10 January 2023. On 8 February 2023, the Company had applied for an extension of time and the CCM had approved the reservation of name for the extension of 90 days until 10 May 2023 on the even day.

The Proposed Change of Name, if approved by the shareholders of ATTA, will be effective from the date of the issuance of the Notice of Registration of New Name to be issued by the CCM to the Company. The Constitution of the Company will be amended accordingly to reflect the Proposed Change of Name whereby all references in the Constitution to the name of “ATTA Global Group Berhad”, wherever the same may appear, shall be substituted with the name of “Mayu Global Group Berhad”.

## **3. RATIONALE FOR THE PROPOSED CHANGE OF NAME**

The word “**Ma**” and “**Yu**” are chinese characters which signify “*Success and Prosperity*” and “*Goodwill*” respectively.

The Proposed Change of Name is undertaken to better reflect the Company’s new corporate identity and vision of the Company, which will be in line with the changes in its existing and future undertakings. The Proposed Change of Name will enhance the Company’s rebranding initiative to be carried out by the Board and Key Management of the Company.

## **4. EFFECTS OF THE PROPOSED CHANGE OF NAME**

The Proposed Change of Name will not have any effect on the share capital of the Company and substantial shareholders’ shareholdings, as well as, it shall not have any material effect on the net assets per share, gearing level and earnings per share.

## **5. APPROVALS REQUIRED**

The Proposed Change of Name is subject to the approval of the shareholders of ATTA at the forthcoming EGM.

The Proposed Change of Name, if approved by the shareholders of ATTA, will be effective from the date of the issuance of the Notice of Registration of New Name by the CCM to the Company.

## **6. INTER-CONDITIONALITY OF THE PROPOSED CHANGE OF NAME**

The Proposed Change of Name is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

## **7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM**

None of the Directors and/or Major Shareholders and/or Persons Connected to the Directors and/or Major Shareholders of ATTA has any interest, direct or indirect, in the Proposed Change of Name.

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## **8. RECOMMENDATION AND BASIS OF RECOMMENDATION**

The Board, after having considered all aspects of the Proposed Change of Name, including but not limited to the rationale and effects of the Proposed Change of Name, is of the opinion that the Proposed Change of Name is in the best interests of the Company.

Accordingly, the Board recommend that the shareholders of ATTA to vote **in favour** of the Special Resolution pertaining to the Proposed Change of Name to be tabled at the forthcoming EGM.

## **9. EGM**

The EGM of the Company will be held at The Light Hotel, Lebuh Tenggiri 2, 13700 Seberang Jaya, Pulau Pinang on Monday, 3 April 2023 at 4.00 p.m. (or at any adjournment thereof) for the purpose of, inter alia, considering and, if thought fit, approving the Special Resolution on the Proposed Change of Name as set out in the Notice of EGM.

## **10. FURTHER INFORMATION**

Shareholders are advised to refer to the appendices of this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**ATTA GLOBAL GROUP BERHAD**

**DATO' SRI TAJUDIN BIN MD ISA**  
Chairman, Independent Non-Executive Director

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**SALIENT TERMS OF THE SPAs**


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The salient terms of the Principal SPAs, as varied by the Supplemental SPAs and Supplemental SPAs 2 are set out below:

**1. Agreements for Proposed Acquisition under the SPAs**

Park Avenue as the purchaser (“**Purchaser**”) has agreed to purchase the Batu Maung Land from Limbongan and Utopia respectively (collectively be referred to as the “**Vendors**” and each shall be referred to as a “**Vendor**”), from all encumbrances, but subject to all the existing conditions of the title and category of land use, express or implied upon, relating to or affecting the Batu Maung Land, at a Purchase Consideration and upon the terms and conditions stated in the SPAs.

**2. Purchase Consideration**

The purchase consideration of RM28,000,000.00 for the sale and purchase of the Batu Maung Land is to be settled and satisfied by ATTA (for and on behalf of Park Avenue) to Limbongan and Utopia respectively, through the issuance of 114,285,600 Consideration Shares at an issue price of RM0.245 each, in the following manner:

- (a) to Limbongan, RM17,000,000 via 69,387,700 Consideration Shares for the sale and purchase of:
  - (i) 1 parcel of freehold land with Title No. GRN 29012, Lot No. 5785, Mukim 12, Daerah Barat Daya, Pulau Pinang (“**Lot 5785**”) measuring approximately 45,908 square feet for RM7,500,000; and
  - (ii) 1 parcel of leasehold land with Title No. HSD 25191, Lot No. PT 6572, Mukim 12, Daerah Barat Daya, Pulau Pinang (“**Lot 6572**”) measuring approximately 127,961 square feet for RM9,500,000; and
- (b) to Utopia, RM11,000,000 via 44,897,900 Consideration Shares for the sale and purchase of 1 parcel of leasehold land with Title No. HSD 25241, Lot No. PT 6602, Mukim 12, Daerah Barat Daya, Pulau Pinang (“**Lot 6602**”) measuring approximately 87,119 square feet.

For the avoidance of doubt, the agreed Purchase Consideration shall exclude all the buildings and/or any structures erected on or part of the Batu Maung Land as the buildings and structures on the Batu Maung Land have been constructed not according to any building plan. As such, no corresponding Certificate of Fitness for Occupation (CFO) / Certificate of Completion and Compliance (CCC) have been issued. Therefore, no value is attached to the buildings and structures erected on Batu Maung Land and the Batu Maung Land is valued by the Valuer as a parcel of land formed by 3 adjoining lots. Upon completion of the Proposed Acquisition, the ownership of all the buildings and structures erected on the Batu Maung Land will belong to the Purchaser and the Purchaser may deal with the buildings and structures on the Batu Maung Land as it deems fit (including demolishing it).

The issue price of the new ATTA Shares at RM0.245 each is at a discount of approximately 8.38% to the 5-day volume weighted average market price of RM0.2674 per ATTA Share up to 8 November 2022.

The Consideration Shares to be allotted and issued to the Vendors under the SPAs shall be rounded down to the nearest one (1) unit of Consideration Share and any fractional entitlements shall be disregarded. Any shortfall arising from the rounding of the Consideration Shares to settle the Purchase Consideration shall be waived and disregarded by the Vendors and such Consideration Shares shall upon its issuance and allotment be the full settlement towards the Purchase Consideration.

**3. Manner of payment**

The Purchase Consideration shall be settled and satisfied by Park Avenue within seven (7) days from the Unconditional Date (as defined below) of the respective SPAs (“**Completion Period**”) and subject to an automatic extension of time of seven (7) days from the expiry of the Completion Period (“**Extended Completion Period**”), where Park Avenue shall cause ATTA to allot and issue the Consideration Shares to the Vendors or its nominate recipient (as instructed by Vendors in writing).

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**SALIENT TERMS OF THE SPAs (CONT'D)**

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**4. Conditions precedent**

The sale and purchase of the Batu Maung Land shall be subject to the following conditions precedent being fulfilled by the parties:

- (a) the approvals of shareholder(s) and directors of Park Avenue for the sale and purchase of the Batu Maung Land and all transactions contemplated by the SPAs;
- (b) the approvals of shareholders and directors of Limbongan and Utopia for the sale and purchase of the Batu Maung Land and all transactions contemplated by the SPAs;
- (c) the approvals of the shareholders of ATTA, the holding company of Park Avenue, for the sale and purchase of the Batu Maung Land and issuance of the Consideration Shares to the Vendors and/or its nominate recipient (“**ATTA EGM Approval**”);
- (d) the approval of Bursa Securities for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities;
- (e) Utopia to obtain the relevant approval or consent (“**Consent to Transfer**”) from the relevant authority (“**Authority**”) for the sale and transfer of Lot 6602, to the Purchaser. The Consent to Transfer for Lot 6602 was obtained on 16 December 2022;
- (f) Limbongan to obtain the Consent to Transfer from the Authority for the sale and transfer of Lot 6572 to the Purchaser;
- (g) in respect of Lot 6572, the completion of the sale and purchase of Lot 6602 and Lot 5785 (collectively, the “**Adjoining Lands**”) including the successful transfer and registration of the Adjoining Lands into the Purchaser’s name; and
- (h) the successful transfer and registration of the Batu Maung Land to the Purchaser as evidenced by the new issue of title of the Batu Maung Land with the name of the Purchaser duly endorsed or entered as the registered proprietor (“**New Title**”).

The Parties hereby agree that the conditions precedent shall be fulfilled in the following manner:-

- (i) for Lot 5785, conditions precedent under paragraphs (a) to (d) and (h) above shall be fulfilled within six (6) months from the date of the Lot 5785 SPA and subject to an automatic extension of time of one (1) month;
- (ii) for Lot 6602, conditions precedent under paragraphs (a) to (e) and (h) above shall be fulfilled within six (6) months from the date of the Lot 6602 SPA and subject to an automatic extension of time of one (1) month; and
- (iii) for Lot 6572, conditions precedent under paragraphs (a) to (d) and (f) to (h) above shall be fulfilled within twenty-four (24) months from the date of the Lot 6572 SPA and subject to an automatic extension of time of six (6) months, in view that the application to obtain the Consent to Transfer (condition precedent under paragraph (f)) can only commence upon the expiry of the restriction in interest imposed on the land which is after 8 May 2024);

or any other such period to be mutually agreed between the parties for the parties to fulfil the conditions precedent (“**CP Cut-off Date**”).

The date of which the relevant parties receive the notification of the fulfilment of the last of the condition precedent by the parties, such date shall be the Unconditional Date.

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**SALIENT TERMS OF THE SPAs (CONT'D)**

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**5. Non-fulfilment of conditions precedent**

If any of the conditions precedent is not fulfilled or waived or any of the approvals is not obtained for whatsoever reason within the CP Cut-off Date under the respective SPAs, either of the parties shall be entitled to or either to:

- (a) re-negotiate for the purposes of continuing the sale and purchase of the Batu Maung Land upon such new terms and conditions; or
- (b) elect to terminate the relevant SPAs by giving to the other party, a written notification.

Upon such termination, the relevant SPAs shall become null and void whereupon:

- (a) the Purchaser's solicitors shall return the transfer documents and the original document of title relating to Batu Maung Land, if so delivered to them as a stakeholder, to the Vendors' solicitors within five (5) business days of such termination; and
- (b) thereafter the parties hereto shall have no claim whatsoever against the other on any matter in respect of or arising out of the SPAs.

**6. Default by the Purchaser and termination**

If the Purchaser fails, neglects or refuses to fulfil any of the conditions precedent or pay the Purchase Consideration in full or ATTA fails to allot the Consideration Shares within the Completion Period or Extended Completion Period (as the case may be), or commits any breach of the terms of the SPAs prior to the completion of the respective SPAs, each of the Vendor shall have the right to seek for specific performance proceedings against the Purchaser and all reliefs flowing therefrom.

**7. Default by the Vendors and termination**

If the Purchaser has complied with all the terms and conditions in the SPAs including fulfilment of its and its holding company's obligations under the conditions precedent, and if the relevant Vendors fails to fulfil its obligations under the conditions precedent or fails to deposit or release the Batu Maung Land titles to the Purchaser's Solicitors or breach any terms and conditions under the SPAs, the Purchaser shall have the right to terminate the relevant SPAs or seek specific performance proceedings against the Vendors and all reliefs flowing therefrom.