

Tuju Setia IPO oversubscribed by 42.1 times

- *Construction services company set to be the first company to list on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities) for 2021 on 19 May 2021*
- *To adopt dividend policy of distributing dividend of 25% of annual net profit*

Kuala Lumpur, Malaysia, 7 May 2021 - Construction services company Tuju Setia Berhad (Tuju Setia, the Group, 忠誠集團) received positive response for its Initial Public Offering (IPO), with the overall public tranche of the IPO oversubscribed by 42.1 times. It is also the first company to be listed on the Main Market of Bursa Securities in 2021 on 19 May 2021.

Tuju Setia received a total of 21,292 applications for 682.3 million shares with a total value of RM477.6 million for the 15.9 million shares that were made available for application by the Malaysian public.

The Bumiputera portion of shares were oversubscribed by 37.2 times, after a total of 11,006 applications for 302.8 million shares were received. While the public portion of shares were oversubscribed by 46.9 times, after a total of 10,286 applications for 379.5 million shares were received.

In addition, Ministry of International Trade and Industry (MITI) received excess applications of 75.3 times for the private placement to selected Bumiputera investors portion after a total of 3,799 applicants for 2.42 billion shares were received.

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“This oversubscription denotes the investing public’s appreciation and confidence of our achievement and future prospects, proven by our extensive construction track record, selective clientele and buoyant prospects in fulfilling higher demand for high-rise buildings, hospitals and healthcare facilities.

Moving forward, we will strive to maintain our momentum in securing more projects and increase our current order book of RM953.1 million from our growing tender book of approximately RM4.0 billion.

Moreover, Tuju Setia’s dividend policy to distribute a dividend of 25% of our annual net profit to our shareholders also signifies the Board’s commitment to reward our shareholders together with our future business growth.”

Mr. Wee Eng Kong (“黄永光”)

Managing Director of Tuju Setia Berhad

According to the Independent Market Research Report which cited the Bank Negara Malaysia, the real Gross Domestic Product (GDP) of the construction industry for 2021 is expected to grow by 13.9% from the previous decline of 19.4% in 2020. Additionally, Malaysia’s economy is expected to recover within the range of 6.5% to 7.5% by 2021 as well, supported by the economic stimulus packages from the Malaysian Government, continued improvement in global growth and reopening of the domestic economy.

Similarly, in Budget 2021, the Malaysian Government has allocated RM31.9 billion for healthcare services.

As at 31 March 2021, Tuju Setia’s RM953.1 million orderbook comprises projects such as Mutiara Central Office Suites (Cheras), Riana Dutamas - Phase 2 (Segambut), The Pulse Residence (Bandar Puteri Puchong), 121 Residences (Petaling Jaya), PPAM Sofiya Residensi (Desa ParkCity), Emerald Hills - Phase 3 and 4 (Cheras), TUAL Residence (Setia Alam) and the Kajang Women and Children Hospital. These projects will sustain Tuju Setia’s profitability until 2024.

Tuju Setia’s IPO entails the issuance of 80.0 million new shares at RM0.70 per share.

Of the 80.0 million new shares, 15.9 million shares were made available for application by the Malaysian public via balloting, and 6.3 million shares were made available for application by the Group’s eligible directors, employees and persons who have contributed to the success of the Group.

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While 31.7 million shares were made available by way of private placement to selected bumiputera investors approved by the Ministry of International Trade and Industry. The balance 26.1 million new shares, together with 27.0 million existing offer-for-sale shares, were placed out to selected investors by way of private placement.

Of the RM56.0 million IPO proceeds raised, RM32.0 million will be allocated for capital expenditure. This would be utilised to purchase new construction machinery and equipment, and Building Information Modelling (BIM) system software to upskill design and construction activities. Additionally, the Group would acquire land and construct new storage facilities for better organisation and utilisation of machinery & equipment and improve efficiency of maintenance works.

A further RM19.0 million will be allocated for working capital, and RM5.0 million to defray listing expenses.

Alliance Investment Bank Berhad is the principal adviser to Tuju Setia's IPO exercise, as well as joint underwriter and joint placement agent, together with CIMB Investment Bank Berhad.

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About Tuju Setia Berhad (<https://tujusetia.my/>)

Tuju Setia, through its subsidiary Pembinaan Tuju Setia Sdn Bhd (PTS), is involved in the provision of construction services as a main contractor, with experience in commercial, residential, and institutional buildings mainly in Klang Valley. PTS has core expertise in the construction of high-rise buildings and design & construction of hospitals, which includes procurement and installation of Group I medical equipment.

Notable non-residential projects completed include Setia Walk, Setia Sky Residences (Celeste & Divina Tower), TWY Mont Kiara, Geo Bukit Rimau, Top Glove Corporate Office Tower, Menara TCM, and St. Joseph's Institution International School Malaysia (previously known as Tropicana International School). Completed residential projects include Mentari Court, Grand Medini Residence, and Idaman Residence.

PTS's clientele includes reputable property developers, corporations and the public sector, the likes of S P Setia Berhad, IJM Berhad, Bandar Raya Developments Berhad, Perdana ParkCity Sdn Bhd, UEM Sunrise Berhad, Symphony Life Berhad, GuocoLand (Malaysia) Berhad and the Malaysian Public Works Department (JKR).

PTS is a Grade G7 contractor registered with the Construction Industry Development Board (CIDB) of Malaysia, allowing it to undertake projects with unlimited value. PTS is also registered with CIDB under category B29 which permits it to undertake construction of hospitals and healthcare facilities, and holds the Sijil Perolehan Kerja Kerajaan that enables its participation in tenders for Government projects.

PTS is accredited with ISO 9001:2015 Quality Management System for the provision of project management for construction of buildings and engineering works. PTS has also obtained the QCLASSIC and CONQUAS quality certifications, as well as the SHASSIC assessment for health and safety performance.

Issued for and on behalf of TUJU SETIA BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd

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