

HONG LEONG ASSET MANAGEMENT BHD

HONG LEONG DANA AL-IZDIHAR

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of Hong Leong Asset Management Bhd and they have collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia has authorised the issuance of Hong Leong Dana Al-Izdihar and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Hong Leong Dana Al-Izdihar and lodgement of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission of Malaysia recommends the Hong Leong Dana Al-Izdihar or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Hong Leong Asset Management Bhd who is responsible for the Hong Leong Dana Al-Izdihar and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

ADDITIONAL STATEMENT

Hong Leong Dana Al-Izdihar has been certified as Shariah-compliant by the Shariah adviser appointed for the Fund.

This Product Highlights Sheet only highlights the key features and risks of the Hong Leong Dana Al-Izdihar. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

Hong Leong Dana Al-Izdihar has been certified as Shariah-compliant by the Shariah adviser appointed for the Fund.

PRODUCT HIGHLIGHTS SHEET

HONG LEONG DANA AL-IZDIHAR

BRIEF INFORMATION ON THE FUND

1. What is this fund about?

Hong Leong Dana Al-Izdihar (“HLDAIZ” or the “Fund”) is an Islamic money market fund managed by Hong Leong Asset Management Bhd (the “Manager”) that aims to provide investors regular income¹ while maintaining capital stability² by investing primarily into Islamic deposits and Islamic money market instruments.

FUND SUITABILITY

2. Who is this fund suitable for?

HLDAIZ is suitable for investors who:

- have a short-term³ investment horizon;
- want to place their monies in a Shariah-compliant investment;
- desire for a regular stream of income; and/or
- have a low risk tolerance.

KEY FUND FEATURES

3. What am I investing in?

Category of fund	Money Market (Islamic).
Type of fund	Income.
Investment objective	The Fund aims to provide investors regular income ¹ while maintaining capital stability ² by investing primarily into Islamic deposits and Islamic money market instruments.
Asset allocation (% of the Fund's net asset value (“NAV”))	<ul style="list-style-type: none"> • Islamic deposits, Investment Account and Islamic money market instruments with a maturity period of not more than 397 days: Minimum 90%. • Islamic deposits, Investment Account and Islamic money market instruments (e.g. Islamic negotiable instruments of deposits (INID)) with a maturity periods of more than 397 days but no longer than 732 days in Malaysia : Maximum 10%.
Performance benchmark	Bank Negara Malaysia Islamic Interbank Overnight Rate.
Investment process and strategy	<p>In order to achieve its investment objective of providing regular income while maintaining capital stability, the investments of the Fund will essentially be in Islamic deposits, Investment Account and Islamic money market instruments that will mature within 397 days. At least 90% of the Fund's NAV will be invested in such instruments in Malaysia. However, the Fund is permitted to also invest in Islamic deposits, Investment Account and Islamic money market instruments (e.g. INID) with maturity periods of more than 397 days but no longer than 732 days in Malaysia and these investments are limited to 10% of the Fund's NAV.</p> <p>The Islamic money market instruments that the Fund may invest in include but are not limited to Islamic bankers' acceptances, Islamic repurchase agreements, Islamic Bank Negara bills and INIDs. In selecting the Fund's investments in Islamic deposits Investment Account and Islamic money market instruments, the Fund is actively managed and will adopt a prudent selection process and rigorous credit assessment to ensure that only appropriate investments in Islamic deposits, Investment Account and Islamic money market instruments are selected in accordance with the investment objective of the Fund. As such, the Fund will invest in Islamic deposits, Investment Account and Islamic money market instruments with any Islamic financial institutions in Malaysia that has a credit rating of at least “A3” or “P2” as rated by RAM at the point of investment, or its equivalent ratings by another registered rating agency. In the event there is a downgrade in the Islamic financial institutions below the abovementioned ratings with which the Fund has invested its Islamic deposits, Investment Account and Islamic money market instruments with, the Manager reserves the right to deal with the said investment in the best interest of the unit holders including to withdraw the invested Islamic deposits, Investment Account and sell the Islamic money market instruments within a reasonable time frame.</p>

Notes:

¹ Income will be distributed on a weekly basis, subject to availability of income in the form of additional units unless unit holders opt for the distribution to be paid out.

² Please take note that the Fund is not a capital guaranteed or a capital protected fund and that the returns are not guaranteed.

³ Short-term referring to less than one (1) year.

	Although the Fund is managed according to its principal investment strategy, the activeness and frequency of its investment in Islamic money market instruments such as INIDs or Islamic Bank Negara bills will very much depend on market conditions and opportunities.
Distribution policy	<p>Distribution of income* will be on a quarterly basis, subject to availability of income.</p> <p>Income distributed will be reinvested into additional units unless unit holders opt for the distribution to be paid out.</p> <p>The Manager's current intention is to declare distributions out of the income and/or capital** of the Fund after deducting fees and expenses incurred by the Fund. Income distribution may be declared out of capital** if the Fund does not have sufficient net realised gains or net realised income from the current financial year. The rationale for providing for payment of distribution out of capital** is to allow for the ability to provide a stable and consistent level of distribution to unit holders. Distribution out of capital** carries the risk of eroding the capital of the Fund and as a result the value of future returns may be diminished.</p> <p><i>Notes:</i> <i>Income distributions (if any) are not guaranteed. Distributions of income will only be made from realised gains or realised income derived from the investments of the Fund.</i> <i>* Income will be distributed in the form of additional units.</i> <i>** Capital refers to unrealised income or unrealised gain.</i></p>
Launch Date	20 June 2017

4. Who am I investing with?

Manager	Hong Leong Asset Management Bhd [199401033034 (318717-M)].
Trustee	CIMB Islamic Trustee Berhad [198801000556 (167913-M)].
Shariah Adviser	BIMB Securities Sdn Bhd [199401004484 (290163-X)].
External Fund Manager	Hong Leong Islamic Asset Management Sdn. Bhd [198501008000 (140445-U)].

5. What are the possible outcomes of my investment?

There are many possible outcomes associated with an investment in the Fund. Unit holders can potentially make profit either (i) when the Fund declares and pays out distributions; or (ii) when the unit holder sells their investments in the Fund when the market value of the Fund's portfolio and the its NAV per unit increase. However, this also means that the market value of the Fund's portfolio and its NAV per unit may fall and as a result, unit holders may lose part of its capital. Unit holders should take note that the value of an investment in the Fund and its distribution payable (if any) may go down as well as up and are not guaranteed. Unit holders should also take note that investment in the Fund involves some degree of risk and that the value of their investment is at risk depending on the underlying investments of the Fund.

KEY RISKS

6. What are the key risks associated with this fund?

General risks

Market risk	Market risk refers to the potential losses that may arise from adverse changes in the market prices of the investments of the Fund. Prices of securities that a Fund has invested in may fluctuate in response to market developments (such as adverse changes in government regulations and policies, economic developments, investor sentiment, inflation, interest rates and exchange rates), which would then affect the Fund's NAV per unit.
Liquidity risk	<p>Liquidity risk comprises two broad risk types; Market Liquidity Risk and Funding Liquidity Risk. Market Liquidity Risk is defined as the ease with which a Shariah-compliant security can be sold at or near its fair value depending on the trading volume of that security in the market. If the Fund holds a large portfolio of Shariah-compliant securities that are less liquid, the Shariah-compliant securities may have to be sold at unfavourable prices and/or withdraw Islamic deposits placed with financial institutions prior to maturity which would expose the Fund to a higher degree of market liquidity risk. As such any premature withdrawal of Islamic deposits where profit income may be forfeited or forced sale of the Fund's investment to meet any shortfall will have adverse impact on the Fund's NAV per unit and subsequently the value of unit holders' investments in the Fund.</p> <p>Funding Liquidity Risk is defined as the risk that the Fund will not be able to meet efficiently both the expected and unexpected current and future cash outflow. The risk primarily involves the Fund's inability to meet redemption requests without major distortion to the portfolio allocation.</p> <p>To mitigate this risk, the Manager will employ prudent liquidity management such as cash flow and redemption monitoring to ensure that the Fund maintains reasonable levels of liquidity to meet any redemption request supplemented by a temporary defensive strategy should adverse conditions prevail. The Manager will apply Liquidity Risk Management tools inclusive of liquidity Stress Test to assess the Fund's viability to meet expected and unexpected redemptions under adverse scenarios. Additionally, the Manager will employ liquidity risk scoring. The liquidity risk scoring is part of the calculation of the risk profile of the fund. It measures the liquidity profile of the investments and is able to trigger the Manager on the investments that have a worsened liquidity positions.</p>

	The Manager may, in consultation with the Trustee, suspend dealing in units under exceptional circumstances where there is sufficient reason to do so having regard to the interests of the Unit holders in an effort to further curtail the liquidity risk experienced by the Fund. Exceptional circumstances can be considered where the market value or fair value of a material portion of the fund's assets cannot be determined.
Fund management risk	The performance of the Fund is dependent on the experience, knowledge, expertise and investment strategies adopted by the personnel of the Manager. Lack of experience, knowledge and expertise, as well as poor execution of the investment strategy or general management of the Fund may jeopardies the unit holders' capital and returns. In view of this, proper training and stringent selection of personnel to manage the Fund is crucial towards mitigating this risk.
Non-compliance risk	This is the risk where the Manager does not comply with the provisions as set out in the Fund's deed; or the laws/guidelines that govern the Fund; or its internal procedures and policies. The non-compliance could be due to several factors such as a result of human errors and oversight system failures or fraudulent acts by the Manager. Any non-compliance may adversely affect the Fund's NAV per unit, especially in situations where the Manager is forced to sell the investments of the Fund at unfavourable prices to resolve the non-compliance. The Manager has imposed stringent internal compliance controls to mitigate this risk.
Loan financing risk	<p>The risk occurs when investors take a financing to finance their investment. The inherent risk of investing with financed money includes investors being unable to service the financing payments. In the event units are used as collateral, an investor may be required to top-up the investors existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower NAV per unit as compared to the NAV per unit at the point of purchase towards settling the financing.</p> <p>Islamic unit trust funds' investors are advised to seek for Islamic financing to finance their acquisition.</p> <p><i>Please see unit trust loan financing risk disclosure statement in the account opening form (individual) section.</i></p>
Inflation/purchasing power risk	This refers to the likelihood that a unit holder's investments are not growing at a rate equal or greater than the inflation rate, thus resulting in the unit holder's decreasing purchasing power.
Suspension of repurchase request risk	Having considered the best interest of unit holders, the repurchase requests by the unit holders may be subject to suspension due to exceptional circumstances, where the market value or fair value of a material portion of the fund's assets cannot be determined. In such case, unit holders will not be able to redeem their units and will be compelled to remain invested in the Fund for a longer period of time than original timeline. Hence, their investments will continue to be subject to the risk inherent to the Fund.

Specific risks

Reinvestment risk	This risk is more prevalent during times of declining profit when the Fund has received its principal and profit earned from a maturing Islamic deposit/Investment Account and/or Islamic money market instruments. As a result, the Fund has to reinvest the above proceeds in a new Islamic deposits, Investment Account and Islamic money market instruments offering a lower return than the previous Islamic deposit, Investment Account and/or Islamic money market instruments.
Interest rate risk	<p>This risk refers to the effect of interest rate changes on the prices of the Fund's investments in Islamic money market instruments such as INID/Investment Account. Generally, interest rate movements are inversely correlated with prices of INIDs, i.e. when interest rates rise, prices of INID will fall and vice versa. The fluctuations in the prices of the INID may, in turn, have an impact on the Fund's NAV per unit. This risk can be mitigated by holding the INID until their maturity due to lock in of price and yield.</p> <p>The above interest rate is a general indicator that will have an impact on the management of the Fund regardless whether it is an Islamic unit trust fund or otherwise. It does not in any way suggest that the Islamic unit trust fund will invest in conventional financial instruments. All the investments carried out for the Islamic unit trust fund are in accordance with Shariah requirements.</p>
Counterparty risk	Counterparty risk refers to the risk that the counterparty (i.e financial institution) of the Islamic deposits, Investment Account and/or Islamic money market instruments with which the Fund has invested in fails to fulfil its obligations such as making timely payments of profit and/or principal on the maturity date. This may then lead to a default in the payment of profit and/or principal and ultimately, affect the NAV per unit of the Fund. To mitigate this risk, the Manager will evaluate the counterparties of the Islamic deposits, Investment Account and/or Islamic money market instruments before its investments. The Fund will also only invest with an Islamic financial institution that has a rating of "A3" or "P2" by RAM at the point of investment or its equivalent ratings by another registered rating agency. In the event there is a downgrade in the Islamic financial institution with which the Fund has invested its Islamic deposits, Investment Account and/or Islamic money market instruments with, the Manager reserves the right to deal with the said investment in the best interest of the unit holders including to withdraw the invested Islamic deposits, Investment Account and/or sell the Islamic money market instruments within a reasonable time frame.

Shariah status Reclassification risk	This risk refers to the risk of a possibility that the currently held Islamic fixed income instruments or Islamic money market instruments or Islamic deposits or Investment Account or Islamic collective investment schemes invested by the Fund may be declared as Shariah non-compliant by relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such fixed income instruments or money market instruments or deposits or conventional investment account or collective investment schemes.
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INVESTORS SHOULD TAKE NOTE THAT THE ABOVE LIST OF RISKS MAY NOT BE EXHAUSTIVE AND IF NECESSARY, THEY SHOULD CONSULT THEIR ADVISER(S) FOR A BETTER UNDERSTANDING OF THE RISKS.

FEES & CHARGES

7. What are the fees and charges involved?

There are fees and charges involved and investors are advised to consider them before investing in the Fund.

The following table describes the charges that you may **directly** incur when you buy or redeem units:

Sales charge¹	Sales charge for each distribution channel:	
	Distribution channel	Sales charge
	For investments through the Manager, tied-agents ² and Institutional Unit Trust Advisers (IUTAs) ³	Nil.
	For investments through the Employees Provident Fund (EPF) Members Investment Scheme	
Redemption charge¹	Redemption charge for each distribution channel:	
	Distribution channel	Redemption charge
	For investments through the Manager, tied-agents ² and IUTAs ³	No redemption charge is imposed upon redemption of units.
	For investments through the EPF Members Investment Scheme	
Switching fee¹	Switching fee for each distribution channel:	
	Distribution channel	Switching fee
	For investments through the Manager, tied-agents ² and IUTAs ³	There is no switching fee imposed on switching of units. Please take note that investors who wish to switch under the EPF Members Investment Scheme are subject to EPF's terms and conditions.
For investments through the EPF Members Investment Scheme		
Transfer fee¹	Transfer fee for each distribution channel:	
	Distribution channel	Transfer fee
	For investments through the Manager, tied-agents ² and IUTAs ³	No transfer fee imposed on the transfer of units to a transferee.
For investments through the EPF Members Investment Scheme		

The following table describes the fees that you may **indirectly** incur when you invest in the Fund:

Annual management fee¹	Annual management fee for each distribution channel:	
	Distribution channel	Annual management fee
	For investments through the Manager, tied-agents ² and IUTAs ³	Up to 0.75% per annum of the NAV of the Fund calculated on a daily basis.
For investments through the EPF Members Investment Scheme		
Annual trustee fee¹	Annual trustee fee for each distribution channel:	
	Distribution channel	Annual trustee fee
	For investments through the Manager, tied-agents ² and IUTAs ³	0.015% per annum of the NAV of the Fund calculated on a daily basis, subject to a minimum of RM9,000 per annum (excluding foreign custodian fee and charges).
For investments through the EPF Members Investment Scheme		

Notes:

¹ The fees and charges stated are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time. The Manager/Trustee (where applicable) shall have the right to charge and recover from the Fund any applicable taxes and/or duties now or hereafter imposed by law or required to be paid in connection with the products or services provided by the Manager/Trustee (where applicable).

² Tied-agents refer to the Manager's authorised agents.

³ IUTA is an institution, organisation or corporation that is licensed by the Securities Commission Malaysia ("SC") for the purpose of carrying out dealing in securities restricted to unit trust funds and is duly registered with the Federation of Investment Managers Malaysia ("FIMM") to market and distribute unit trust funds. For a list of the Fund's participating IUTA, please contact the Customer Experience personnel of the Manager at 03-2081 8600 ext 18603/18604.

8. How often are valuations available?

The NAV per unit of the Fund is determined on each Business Day¹. The daily NAV per unit of the Fund can be obtained from the Manager's website at www.hlam.com.my or our branch offices. Alternatively, you may contact the Customer Experience personnel at 03-2081 8600 ext 18603/18604 for the NAV per unit.

9. How can I exit from this investment and what are the risks and costs involved?

Cooling-off right

The cooling-off right allows investors an opportunity to reverse an investment decision, which could have been unduly influenced by certain external elements or factors.

The cooling-off period for the Fund is six (6) Business Days¹ commencing from the date the Manager receives the application for purchase of units.

A cooling-off right is only given to individual investors, who are investing in any of the Manager's fund(s) for the first time. However, the following persons and/or institutions are not entitled to the cooling-off right (as stipulated under the Guidelines on Unit Trust Funds issued by the SC):-

- A staff of the Manager; and
- Persons registered with a body approved by the SC to deal in unit trusts.

Cooling-off right is also not applicable for investments through the EPF Members Investment Scheme.

The refund for every unit held by the investor pursuant to the exercise of the cooling-off right shall be the sum of:-

- if the original price of a unit is higher than the price of a unit at the point of exercise of the cooling-off right ("market price"), the market price at the point of cooling-off; or
- if the market price is higher than the original price, the original price at the point of cooling-off; and
- the sales charge per unit originally imposed on the day the units were purchased.

Payment will be made to the investor within seven (7) Business Days¹. For investments made through cheque, the payment for the cooling-off will only be made to the investor after the cheque has been cleared.

Redemption of Units

- No redemption charge is imposed upon redemption of units.
- Minimum redemption of units is 1,000 units.
- No restriction on the frequency for redemption.
- Cut-off time for redemption requests is 11.00 a.m. on every Business Day¹.
- For partial redemption, you must maintain a minimum balance of 1,000 units in the Fund. Otherwise, the Manager will automatically effect a full redemption and inform the unit holder thereafter.
- Payment will be made to you on the following Business Day¹ if the redemption request is received by the Manager at its cut-off time of 11.00 a.m. on a Business Day¹. However, if and when due to circumstances where the redemption request results in the sale of the Fund's investments which cannot be liquidated at an appropriate price and is as such not in the interest of existing unit holders, then the time for payment of the net redemption proceeds may be extended to such time as the Manager may consider necessary in the interest of its Unit holders. Under such circumstances, the Manager will pay the redemption monies to the unit holders no later than seven (7) Business Days¹ from the date the redemption request is received by the Manager.
- Payment can be made either via cheque, telegraphic transfer to Hong Leong Bank Berhad or participating banks' GIRO account.

Transfer of Units

- Transfer of units is allowed for this Fund either fully or partially. The minimum transfer is 1,000 units.

Switching of Units

- Switching of units is allowed for this Fund. The minimum amount of units to switch to other fund(s) is 1,000 units.

Note:

¹ 'Business Day' refers to a day (other than Saturday, Sunday or public holidays) on which the Manager is open for business and Bursa Malaysia is open for trading.

FUND PERFORMANCE

10. Information on Fund Performance

(a) Average total return for the following periods ended 31 December 2023

	1-year	3-year	5-year	Since launch#
Hong Leong Dana Al-Izdihar (%)	3.34	2.49	2.64	2.85
Bank Negara Malaysia Islamic Interbank Overnight Rate (%)	2.95	2.33	2.52	2.77

(b) Annual total return for the financial years ended 31 December

	2023	2022	2021	2020	2019	2018	2017#
Hong Leong Dana Al-Izdihar (%)	3.34	2.27	1.68	2.02	3.25	3.34	1.41
Bank Negara Malaysia Islamic Interbank Overnight Rate (%)	2.95	2.16	1.74	2.18	3.11	3.24	1.59

#The figure shown is for the period since launch of the Fund (20 June 2017)

Source: Lipper for Investment Management.

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

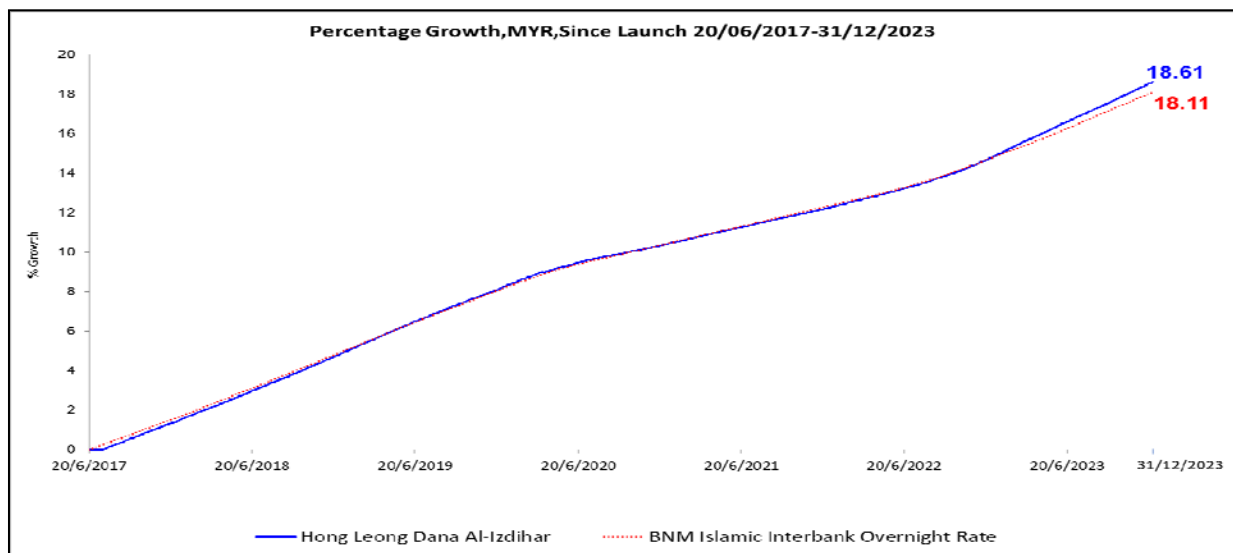
1-year fund performance review

The Fund posted a return of 3.34% for the financial year ended 31 December 2023 while its benchmark registered a return of 2.95%.

(c) Basis of calculation

Percentage Growth, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from Hong Leong Dana Al-Izdihar reinvested and in MYR terms.

(d) Performance in Chart



Source: Lipper for Investment Management.

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Since launch, the Fund has posted a return of 18.61% while its benchmark has registered a return of 18.11%.

(e) Portfolio turnover ratio (PTR)

	Financial period ended 31 December		
	2023	2022	2021
PTR of the Fund (times)	24.73	12.99	17.35

The Fund recorded a higher PTR of 24.73 times during the financial year ended 2023 from 12.99 times during the financial year ended 2022 on account of higher level of rebalancing activities performed by the Fund.

(f) Distribution

Financial year	Additional Units	Cash distribution
2021	-	Gross/Net 0.8240 sen/unit
2022	-	Gross/Net 1.1167 sen/unit
2023	-	Gross/Net 1.6520 sen/unit

INVESTORS SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE

CONTACT INFORMATION

11. Who should I contact for further information or to lodge a complaint?

1. For internal dispute resolution, you may contact:

Hong Leong Asset Management Bhd

Level 18, Block B, Plaza Zurich

No. 12, Jalan Gelenggang

Bukit Damansara

50490 Kuala Lumpur

Tel : 03-2081 8600

Fax : 03-2081 8500

Website : www.hlam.com.my

E-mail : inquiry@hlam.hongleong.com.my

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):

(a) via phone to : 03-2282 2280

(b) via fax to : 03-2282 3855

(c) via e-mail to : info@sidrec.com.my

(d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)

Unit A-9-1, Level 9, Tower A

Menara UOA Bangsar

No. 5, Jalan Bangsar Utama 1

59000 Kuala Lumpur

3. You can also direct your complaint to the Securities Commission Malaysia (SC) even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

(a) via phone to the Aduan Hotline at : 03-6204 8999

(b) via fax to : 03-6204 8991

(c) via e-mail to : aduan@seccom.com.my

(d) via online complaint form available at : www.sc.com.my

(e) via letter to

: Consumer & Investor Office

Securities Commission Malaysia

3 Persiaran Bukit Kiara

Bukit Kiara

50490 Kuala Lumpur

4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

(a) via phone to : 03-7890 4242

(b) via e-mail to : complaints@fimm.com.my

(c) via online complaint form available at : www.fimm.com.my

(d) via letter to

: Legal & Regulatory Affairs

Federation of Investment Managers Malaysia

19-06-01, 6th Floor Wisma Tune

No. 19, Lorong Dungun

Damansara Heights

50490 Kuala Lumpur