

**SALIENT TERMS OF THE SPA (cont'd)**

- (iii) In the event of lawful termination of the SPA for any reasons whatsoever in accordance with the SPA, the Purchaser shall deposit with the Vendor an executed deed of revocation of the Limited Power of Attorney and return the Limited Power of Attorney to the Vendor for revocation and cancellation at the High Court of Malaya and the Land Registry respectively.
- (iv) The Purchaser shall keep the Vendor fully indemnified against any liabilities, demand, action, suit, proceeding, costs, damage and expense arising out of or in connection with or which may be taken against, sustained or incurred by the Vendor by reason of or arising as a result of the Purchaser's breach of any power granted under the Limited Power of Attorney.

Notes:

- (a) **"Completion"** means the day on which the obligations of the Purchaser in respect of the satisfaction of the Purchase Consideration are duly completed in accordance with paragraph 2.
- (b) The salient terms of the Limited Power of Attorney are set out in Appendix II of this Circular.

## **6. TERMINATION AND BREACH**

### **6.1 Vendor's right to terminate**

If the Purchaser defaults in the satisfaction of the Purchase Consideration in accordance with the SPA, the Vendor will be entitled to terminate the SPA by notice in writing to the Purchaser if the Purchaser fails within 14 days of receipt of a notice from the Vendor to remedy the breach or the matter, whereupon paragraph 6.4 shall apply.

### **6.2 Purchaser's right to terminate**

The Purchaser will be entitled to, at any time after any such default arises and prior to Completion, give notice to the Vendor terminating the SPA if –

- (i) any of the warranties, representations and undertakings of the Vendor are found at any time to be untrue or incorrect;
- (ii) the Vendor fails, neglects or refuses to complete the sale in accordance with the SPA;
- (iii) the Vendor fails, neglects or refuses to perform or comply with any of its obligations under the SPA; or
- (iv) the valid and registrable memorandum of transfer for the Land ("**Transfer**") cannot be presented or registered for any reasons whatsoever for reasons caused by or attributable to any act, default or omission of the Vendor,

and the Vendor fails within 14 days of receipt of a notice from the Purchaser to remedy the breach or the matter, whereupon paragraph 6.5 shall apply.

### **6.3 Termination in event of insolvency**

Either party will be entitled, at any time prior to Completion, to give notice to the other party terminating the SPA if the other party is or becomes, or is adjudicated or found to be wound up or insolvent or had any winding-up (whether involuntary or voluntary) or insolvency proceedings commenced against it, whereupon paragraphs 6.4 and 6.5 (as the case may be) shall apply.

**SALIENT TERMS OF THE SPA (cont'd)**

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**6.4 Consequences of termination by the Vendor**

If a notice terminating the SPA is duly given under paragraph 6.1 and paragraph 6.3 by the Vendor, then within 14 days of the giving of the notice –

- (i) the Vendor must return all moneys received by it as part of or towards the Balance to the Purchaser or to the solicitors;
- (ii) the solicitors must and are hereby authorised to return all moneys received by them as part of or towards the Balance and held by them as at that date, together with any interest accrued thereon, to the Purchaser;
- (iii) in exchange for the Vendor's simultaneous compliance with paragraph (i) above, the Purchaser, the solicitors and the financier's solicitors must return or cause to be returned to the Vendor the Transfer, original issue documents of title, certified true copies of the quit rent and assessment receipts and all other documents which is incumbent upon the Vendor to produce as documents necessary to enable registration of the Transfer to be effected in favour of the Purchaser (collectively, the "**Transfer Documents**"), which are as that date in their possession with the Vendor's interest intact, provided that in the event that the Transfer has as at that date been stamped for ad valorem stamp duty in the full amount, the Purchaser or the solicitors shall be entitled to forward the duly stamped Transfer to the Collector of Stamp Duty for cancellation and for a refund of the ad valorem stamp duty so paid by the Purchaser and thereafter to forward the Transfer to the Vendor for cancellation;
- (iv) the Retention Sum and Balance Deposit will be absolutely forfeited in favour of the Vendor as agreed liquidated damages for the Purchaser's breach;
- (v) in exchange for the Vendor's simultaneous compliance with paragraphs (i) and (iii) above, the Purchaser shall novate to the Vendor all rights and obligations in and under the Cost Sharing Agreement and any tenancies or contracts relating to the Land (collectively, the "**Contracts**"), if the same has been novated to the Purchaser; and
- (vi) in exchange for the Vendor's simultaneous compliance with paragraphs (i) and (iii) above, the Purchaser shall re-deliver to the Vendor vacant or legal possession (as the case may be) of the Land, on an as-is-where-is basis if the same has been delivered to the Purchaser.

**6.5 Consequences of termination by the Purchaser**

If a notice terminating the SPA is duly given under paragraphs 6.2 and 6.3 (as above) by the Purchaser, then within 14 days of the giving of the notice –

- (i) the Vendor must return all moneys received by it as part of the Purchase Consideration together with any late payment interest paid by the Purchaser, to the Purchaser or to the solicitors;
- (ii) the Purchaser's solicitors must and are hereby authorised to return all moneys received by them as part of the Purchase Consideration and held by them as at that date, together with any interest accrued thereon and any late payment interest paid by the Purchaser, to the Purchaser;
- (iii) if the Purchaser elects not to pursue the remedies set out in paragraph 6.7, the Vendor must pay an additional sum equivalent to 10% of the Purchase Consideration as agreed liquidated damages to the Purchaser;

**SALIENT TERMS OF THE SPA (cont'd)**

- (iv) in exchange for the Vendor's simultaneous compliance with paragraphs (i) and (iii) above, the Purchaser, the solicitors and the Purchaser financier's solicitors must return or cause to be returned to the Vendor the Transfer Documents which are as at that date in their possession with the Vendor's interest intact, provided that in the event that the Transfer has as at that date been stamped for ad valorem stamp duty in the full amount, the Purchaser's solicitors shall be entitled to forward the duly stamped Transfer to the Collector of Stamp Duty for cancellation and for a refund of the ad valorem stamp duty so paid by the Purchaser and thereafter to forward the Transfer to the Vendor for cancellation;
- (v) in exchange for the Vendor's simultaneous compliance with paragraphs (i) and (iii) above, the Purchaser shall novate to the Vendor all rights and obligations in and under the Cost Sharing Agreement and Contracts, if the same has been novated to the Purchaser; and
- (vi) in exchange for the Vendor's simultaneous compliance with paragraphs (i) and (iii) above, the Purchaser shall re-deliver to the Vendor vacant or legal possession (as the case may be) of the Land, on an as-is-where-is basis if the same has been delivered to the Purchaser.

**6.6 Non-registration of transfer<sup>(a)</sup>**

In the event the registration of the Transfer Documents is not or cannot be effected for any reason whatsoever not due to any fault of either of the parties (except minor defects which can be remedied in which event the relevant party shall forthwith proceed to rectify the defect), the Purchaser shall be entitled to terminate the SPA by notice in writing to the Vendor, whereupon within 14 days of the giving of the notice –

- (i) the Vendor must return all moneys received by it as part of the Purchase Consideration together with any late payment interest paid by the Purchaser, to the Purchaser or to the solicitors;
- (ii) the solicitors must and are hereby authorised to return all moneys received by them as part of the Purchase Consideration and held by them as at that date, together with any interest accrued thereon and any late payment interest paid by the Purchaser, to the Purchaser;
- (iii) in exchange for the Vendor's simultaneous compliance with paragraph (i) above, the Purchaser, the solicitors and the financier's solicitors must return or cause to be returned to the Vendor the Transfer Documents which are as at that date in their possession with the Vendor's interest intact, provided that in the event that the Transfer has as at that date been stamped for ad valorem stamp duty in the full amount, the Purchaser or the solicitors shall be entitled to forward the duly stamped Transfer to the Collector of Stamp Duty for cancellation and for a refund of the ad valorem stamp duty so paid by the Purchaser and thereafter to forward the Transfer to the Vendor for cancellation;
- (iv) in exchange for the Vendor's simultaneous compliance with paragraph (i) above, the Purchaser shall novate to the Vendor all rights and obligations in and under the Cost Sharing Agreement and Contracts, if the same has been novated to the Purchaser; and
- (v) in exchange for the Vendor's simultaneous compliance with paragraph (i) above, the Purchaser shall re-deliver to the Vendor vacant or legal possession (as the case may be) of the Land, on an as-is-where-is basis if the same has been delivered to the Purchaser.

*Note:*

- (a) *The Vendor had vide a letter dated 22 December 2023 undertaken that in the event of termination of the SPA in accordance with paragraph 6.6 above, the Vendor shall return and refund to the Purchaser any and all Development Costs which have been reimbursed by the Purchaser in accordance with the provisions of the SPA within 14 days of the giving of the notice by the Purchaser under paragraph 6.6 above.*

**SALIENT TERMS OF THE SPA** *(cont'd)*

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**6.7 Specific performance**

Notwithstanding paragraph 6, the Purchaser will be at liberty to take such action in law as may be necessary to compel the Vendor by way of specific performance to complete the sale of the Land in accordance with the SPA (in which respect the alternative remedy of monetary compensation will not be regarded as compensation or sufficient compensation for any default of the Vendor in the performance of the terms and conditions of the SPA) and for damages for the Vendor's breach of the SPA.

**7. VACANT POSSESSION**

- (i) In the event that the Land is not subject to any tenancy on completion, vacant possession of the Land, on an "as is where is" basis but free from all encumbrances and claims whatsoever, shall be delivered to the Purchaser by the Vendor within 3 business days from Completion, failing which the Vendor shall be liable to the Purchaser for interest at the rate of 8% per annum calculated on a daily basis on the Purchase Consideration, from the day next following the 3rd business day from Completion until the date of actual delivery of vacant possession of the Land to the Purchaser.
- (ii) In the event that the Land is subject to any Contract in accordance with the SPA on Completion, legal possession of the Land shall be deemed delivered to the Purchaser upon Completion.

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**SALIENT TERMS OF THE LIMITED POWER OF ATTORNEY**

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**1. LIMITED POWER OF ATTORNEY**

Pursuant to and subject to the terms and conditions of the SPA and in consideration of the premises therein, the Vendor, with effect from the date of the Limited Power of Attorney, hereby appoints, authorizes and empowers the Purchaser or its authorised representative(s), officers, employees, managers or agents and such other persons as may be nominated or appointed by the Purchaser to act on behalf of the Purchaser to be its lawful attorney, and in the Vendor's name or otherwise and on the Vendor's behalf and as the Vendor, to do and execute all or any of the following acts and deeds at the Purchaser's sole cost and expense:

- (i) to attend to preliminary works including but not limited to land survey, soil investigation, soil test, site clearance, landscaping and hoarding, relating to the Purchaser's intended development of the Land ("**Development**");
- (ii) to apply for and/or submit and sign all applications, documents and/or agreements for the change or variation of any conditions of title of the Land, removal or variation of restriction in interest or land use or any variation thereof, zoning, amalgamation, surrender and re-alienation, sub-division, swapping of land use and status of the Land;
- (iii) to apply for and/or submit and sign applications for consent to transfer or charge or other dealings in relation to or in connection with or in respect of the Land;
- (iv) to apply for and/or submit and sign applications to all relevant authorities for approvals required for or in connection with the Development, including but not limited to approval for planning permission, development order, lay-out plans, development and building plans, approval for road linkages from the Land or part thereof to major roads around the Land, surrender of any part or all of the Land for subdivision, amalgamation or re-alienation approvals and to execute any instruments, forms and documents whatsoever as may now and from time to time hereafter be required to be submitted to all relevant authorities for such approvals and to negotiate, reject and/or accept sums, terms and conditions as may be imposed by the relevant authorities;
- (v) to prepare and submit applications and documents to the appropriate government departments, local authorities, land offices or registries or other competent authority or authorities for all and any licenses, permissions permits and consents required by any law, order, statutory instrument, regulation, by-law or otherwise in connection with any of the aforesaid application(s);
- (vi) to do and perform all whatsoever acts, matter and things necessary or expedient for the purposes of the aforesaid applications in relation to the Development, including to communicate, liaise, agree and/or compromise with any such relevant authorities or any other party whatsoever on any matters, terms and conditions in connection therewith as the Purchaser may deem fit;
- (vii) to demand, sue for, recover and receive by all lawful ways and means from all and every person whom it may concern all moneys, debts, dues, goods and property whatsoever in relation to the Development;
- (viii) to make all necessary payments, levies, premium and/or incidental costs for the purpose of the applications and approval to all relevant authorities as referred in the preceding paragraphs for and in connection with the Development;
- (ix) to substitute or appoint from time to time one or more attorney with the same or limited powers as those granted herein the Limited Power of Attorney;
- (x) to cause the Limited Power of Attorney to be registered with the Registry of the High Court of Malaya or at the relevant land office or elsewhere and with any other authorities as may be deemed necessary;

**SALIENT TERMS OF THE LIMITED POWER OF ATTORNEY** *(cont'd)*

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- (xi) to do any other thing which in the opinion of the Purchaser is necessary, expedient or desirable to give effect to the provisions of the Limited Power of Attorney; and
- (xii) to do all acts and things and to sign and execute all instruments and/or documents as may be necessary for carrying out any of the purposes aforesaid as fully and completely as the Vendor itself could do if personally present.

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## SALIENT TERMS OF THE COST SHARING AGREEMENT

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### 1. THE PROJECT WORKS

The Vendor and certain identified developers (collectively, the “**parties**” and “**party**” shall mean any one of them in the context of Appendix III) have agreed to enter into the Cost Sharing Agreement to collaborate and jointly undertake the execution and implementation of certain Project Works in relation to the integrated water supply scheme at Setapak (“**IWSS Hawthorden**”) and to share the total cost budgeted pursuant to the Cost Sharing Agreement.

“**Project Works**” refer to the (i) survey works, (ii) soil investigation works, (iii) detailed designing installation and laying of the IWSS Hawthorden, (iv) testing and commissioning, maintenance and handover of such completed works to Pengurusan Air Selangor Sdn. Bhd. and (iv) any other necessary works in relation to the construction of the IWSS Hawthorden.

### 2. DURATION

The Cost Sharing Agreement shall be effective from 13 July 2022 up until the full completion of the Project Works and full payment towards the actual cost of the Project Works.

### 3. FINAL COMPLETION

The final completion of IWSS Hawthorden is upon the expiry date of defect liability period for the Project Works or upon issuance of the certificate of make good defects by the lead consultant, whichever is later (“**Final Completion Date**”).

### 4. DEFAULT

If –

- (i) any party breaches or fails to observe or perform its covenants or obligations under the Cost Sharing Agreement;
- (ii) a petition is presented or an order is made or a resolution is passed for the winding up (other than voluntary winding up for the purpose of reconstruction or amalgamation) of a party or if a receiver or manager is appointed of the undertaking or any part thereof of a party;
- (iii) any party incapable or unable to renew the bank guarantee in accordance with the Cost Sharing Agreement or fail to cause the payment of the bank guarantee called on by the stakeholder for any reason and the same is not rectified within fourteen (14) days from the date of notification of the non-payment to the stakeholders of the sum stated in the bank guarantee;
- (iv) any party is unable to pay any additional cost which exceeds the total cost on the expiry of fourteen (14) days after the request for payment has been made by the lead consultant;
- (v) a distress or other execution process is levied upon or issued against any property of a party and such distress or execution process is not satisfied within fourteen (14) days from the date thereof; or
- (vi) any party abandons or ceases work on its development project,

then the lead consultant upon consultation with the lead developer, shall by written notice to the defaulting party, request from the defaulting party to rectify such default within seven (7) days failing which, the lead consultant shall be fully authorised and entitled to –

**SALIENT TERMS OF THE COST SHARING AGREEMENT** (cont'd)

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- (a) by a written notice to the defaulting party, notify the defaulting party has ceased to participate in the cost sharing venture and all rights or benefits of the defaulting party shall cease; or
- (b) by a written notice to the non-defaulting party(ies), request from the non-defaulting party(ies) to advance such amount as may be required to cover the defaulting party contributions (which will be divided based on the parties' proportionate contribution as practicable as possible) and thereafter, to recover such amount advance from the defaulting party including interest at 8% per annum calculated on such unpaid amount from its due date until date of actual payment and legal costs and expenses on solicitors and client basis; and/or
- (c) by written notice to the defaulting party, suspend the defaulting party's voting rights until the breach has been remedied; and/or
- (d) with the approval of the Joint Working Committee, to notify the appropriate authorities to suspend usage of any part of the Project Works affecting the defaulting party's projects until the breach is remedied by the defaulting party.

"**Joint Working Committee**" comprises of representatives of each party to the Cost Sharing Agreement.

**5. TERMINATION**

The contractual relationship under the Cost Sharing Agreement shall be terminated in either of the following events:

- (i) if the parties shall unanimously decide to terminate the Cost Sharing Agreement; or
- (ii) all of the following conditions have been fully satisfied:
  - (a) the IWSS Hawthorden have been completed in accordance to paragraph 3;
  - (b) all accounts between the parties and the water authorities have been settled to the satisfaction of the Joint Working Committee; and
  - (c) all obligations, duties and liabilities of the parties have been fully discharged to the satisfaction of the Joint Working Committee.

**6. SPECIFIC PERFORMANCE**

Each party shall, at its option and without prejudice to any other remedies available to it under the law and/or in the Cost Sharing Agreement, be equally entitled to specific performance against the defaulting party who fails, refuses or neglects to carry out its obligation pursuant to the Cost Sharing Agreement.





**Laurelcap Sdn. Bhd.**  
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## VALUATION CERTIFICATE

**Date** : October 5<sup>th</sup>, 2023  
**Our Ref** : LC/VAL/23/014997/SE-CV

### PRIVATE & CONFIDENTIAL

**Urban Reach Sdn Bhd,**  
**(a 55%-owned subsidiary of FCW Holdings Berhad)**  
 No. 29<sup>th</sup> Floor, Menara JKG  
 282, Jalan Raja Laut  
 50350 Kuala Lumpur  
 Wilayah Persekutuan Kuala Lumpur

Dear Sirs,

### VALUATION CERTIFICATE OF A PARCEL OF INDUSTRIAL LAND ON AN "AS IS WHERE IS" BASIS WITH CONDITIONAL APPROVAL FOR:

- i) THE CHANGE OF ZONING FROM INDUSTRIAL TO COMMERCIAL;
- ii) INCREASE OF PLOT RATIO FROM 1: 4.00 TO 1: 6.00; AND
- iii) THE DEVELOPMENT CHARGES PARTIALLY PAID

**HELD UNDER TITLE NO. PAJAKAN MUKIM 1029, LOT NO. 30487, LOCALITY OF JALAN GENTING KELANG, MUKIM OF SETAPAK, DISTRICT OF KUALA LUMPUR, WILAYAH PERSEKUTUAN KUALA LUMPUR ("SUBJECT PROPERTY")**

We refer to the instruction by **Urban Reach Sdn Bhd ("URSB")**, a 55%-owned subsidiary of **FCW Holdings Berhad** to advise on the current **Market Value** of the Subject Property for the purpose of submission to Bursa Malaysia Securities Berhad ("**Bursa Securities**") as well as for the inclusion in the circular to shareholders in respect to the proposed disposal of the Subject Property by JKB Development Sdn Bhd ("**JKBD**"), a wholly-owned subsidiary of **Jasa Kita Berhad** to **URSB**.

The Subject Property was inspected on September 3<sup>rd</sup>, 2023. The relevant date of valuation for this valuation exercise coincides with the date of inspection, i.e. September 3<sup>rd</sup>, 2023.

The Valuation had been carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards ("**MVS**") issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia and with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the **Market Value** which is defined by the MVS to be "the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The Valuation Certificate should be read in conjunction with the full Report (Ref No: LC/VAL/23/014997/SE) prepared by Laurelcap Sdn Bhd for submission to Bursa Securities which detailed the basis under which the Valuation has been prepared.



- Registered Valuers
- Property Managers
- Estate Agents
- Development Consultants
- Project Managers
- Researchers





IDENTIFICATION OF THE PROPERTY	
<b>Postal Address:</b>	Lot 30487, Jalan Usahawan 5, 53300 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
<b>Type of Property:</b>	A parcel of industrial land with conditional approval for: i) the change of zoning from industrial to commercial; ii) increase of plot ratio from 1: 4.00 to 1: 6.00; and iii) the development charges partially paid
<b>Date of Inspection:</b>	September 3 <sup>rd</sup> , 2023
<b>Date of Valuation:</b>	For the purpose of this valuation exercise, the material date of valuation is the date of inspection, i.e. September 3 <sup>rd</sup> , 2023
<b>Registered Owner:</b>	The registered owner of the Subject Property is JKB Development Sdn Bhd
<b>Title Particulars:</b>	Title No. Pajakan Mukim 1029, Lot No. 30487, Locality of Jalan Genting Kelang, Mukim of Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
<b>Tenure:</b>	Leasehold for 99 years. Term expiring on November 10 <sup>th</sup> , 2093. Leaving an unexpired term of approximately 70 years as the date of valuation.
<b>Category of Land Use:</b>	"Perusahaan/ Perindustrian"  <i>(Industrial)</i>
<b>Express Condition:</b>	"Tanah ini hendaklah digunakan untuk maksud perusahaan yang diluluskan oleh Kerajaan sahaja."  <i>(This land is to be used for industrial purpose only as approved by the government)</i>
<b>Restriction in Interest:</b>	"Tanah ini tidak boleh dipindahmilik, dipajak, dicagar dan digadai melainkan dengan kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur."  <i>(This land cannot be transferred, pledged, leased, and mortgaged except with the permission of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur)</i>
<b>Land Area :</b>	Approximately 14,294 square metres (" <b>sq.m</b> ") [About 153,860.62 square feet (" <b>sq.ft</b> ") or 3.53 acres]
<b>Current Usage</b>	Vehicle storage facility
<b>Location:</b>	The Subject Property is situated along Jalan Usahawan 5 within PKNS Setapak Industrial Area, Wilayah Persekutuan Kuala Lumpur. It is approximately 8.50 kilometres north-east of Kuala Lumpur City Centre and around 3.50 kilometres west of Wangsa Walk Mall. The Subject Property is easily accessible from Kuala Lumpur City Centre via Jalan Tun Razak, continue onto Jalan Semarak/Jalan Sultan Yahya Petra, turning off onto Jalan Rejang 5, Jalan Rejang 1, Jalan Kilang and finally onto Jalan Usahawan 5 to where the Subject Property is located.

<p><b>Description of the Subject Property:</b></p>	<p>The Subject Property is an almost rectangular shaped parcel of land with a titled land area of approximately 14,294.00 sq.m (about 153,860.62 sq.ft or 3.53 acres). The land is generally flat and levelled with the frontage road, Jalan Usahawan 5. The site is demarcated with corrugated metal hoarding.</p> <p>As at the date of valuation, part of the Subject Property is being rented by JKBD to Best Auctions Sdn Bhd (a non-related party) ("BASB") at a monthly rental rate of RM60,000 for the sole purpose of storage of vehicles. The foregoing arrangement is governed by a vehicle storage agreement dated January 1<sup>st</sup>, 2020 entered into between JKBD and BASB, for a principal term of 2 years, from 1 January 2020 up until 31 December 2021. JKBD and BASB had subsequently executed letters of extension dated November 2<sup>nd</sup>, 2021, February 9<sup>th</sup>, 2022, August 11<sup>th</sup>, 2022, October 31<sup>st</sup>, 2022, February 8<sup>th</sup>, 2023 and July 27<sup>th</sup>, 2023 to extend the term of the vehicle storage agreement. Based on the letter of extension dated July 27<sup>th</sup>, 2023, the rental arrangement is extended until February 29<sup>th</sup>, 2024, unless terminated in accordance with the terms of the vehicle storage agreement.</p> <p>There are some temporary buildings structures on site such as office containers, storage containers and multiple canopies, along with a guardhouse positioned at the main entrance. The TNB Sub-Station constructed at the north-western corner of the land does not fall within the boundary of the Subject Property.</p> <p>Upon the completion of the sale and transfer of the Subject Property, JKBD will if required/directed by URSB terminate the vehicle storage agreement by serving 1 month notice (or such other notice deemed appropriate by the URSB) to BASB pursuant to the terms of the vehicle storage agreement.</p> <p>In determining the Market Value, we do not anticipate that the presence of tenant and temporary buildings structures will significantly affect the valuation. This is primarily because the existing tenancy agreement will last until February 29<sup>th</sup>, 2024, and the rental income to be generated by the Subject Property from September 2023 until February 2024 accounts for approximately 0.30% of the Market Value, which is deemed negligible. Furthermore, it is important to note that the temporary buildings structures can be removed at any time when deemed necessary.</p>
<p><b>Proposed Development:</b></p>	<p>The Subject Property was granted a conditional Development Order ("DO") by Dewan Bandaraya Kuala Lumpur ("DBKL") on June 8<sup>th</sup>, 2023, under Reference No. (81)d/m.DBKL.JPRB.1261/2006 for the change of zoning from industrial to commercial and with a maximum permitted plot ratio of 1:6.00 which comprise the following contents:</p> <p>A) Block A: A fifty-six (56) storey serviced apartment building, spanning from level 1 to level 54 (with 864 units).</p> <p>B) Block B: A nine (9) storey podium car park and one (1) level designated for facilities.</p> <p>held under Pajakan Mukim 1029, located in the locality of Jalan Genting Kelang, Mukim of Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. The Development Layout Plan No. 16-022/JKG/PP/01-0010 was approved on June 8<sup>th</sup>, 2023, via Reference No. (81)d/m.DBKL.JPRB.1261/2006.</p>



<b>Planning Details:</b>	<p>Verbal enquiries with the planning department of DBKL as well as extracts from the "Kuala Lumpur City Plan 2020" revealed that the Subject Property is located within an area designated for mixed industrial use. Based on the conditional DO, the Subject Property have been approved with the change of zoning from industrial to commercial and increase of plot ratio from 1: 4.00 to 1: 6.00.</p> <p>As per the conditional DO, a payment of RM11,062,000.00 to DBKL is required to transition the zoning from industrial to commercial at a 1:6.00 ratio, in line with Section 40, Act 267, Federal Territory (Planning) Act 1982. However, the payments necessary for this zoning change and plot ratio increase have not been entirely settled. As of the valuation date, only RM2,257,750.00 has been paid, leaving outstanding development charges amounting to RM8,804,250.00.</p>
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#### METHOD OF VALUATION

In arriving at the Market Value of the Subject Property, we have adopted the **Comparison Approach** and **Income Approach by way of "Residual Method"**. A summary of approaches used are as follows: -

#### COMPARISON APPROACH

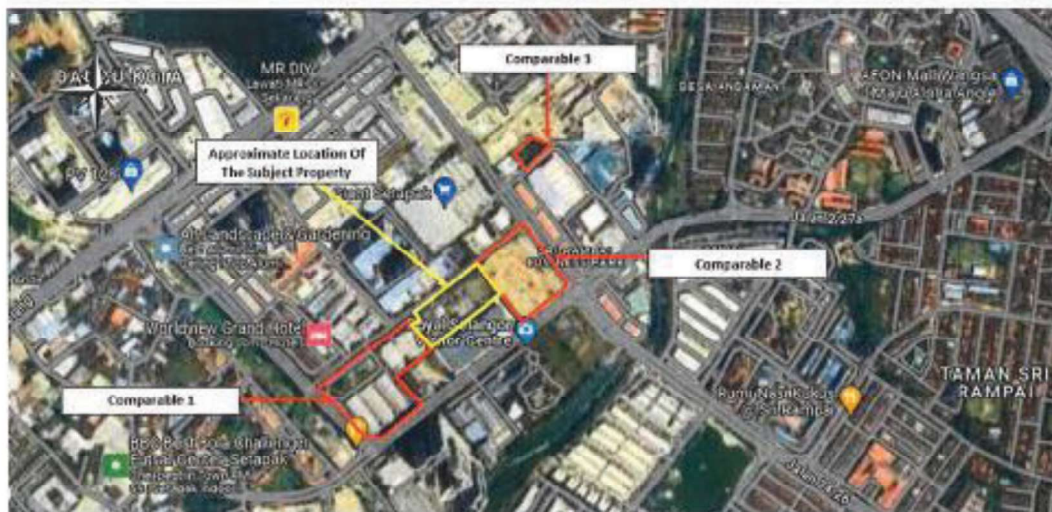
We have adopted the Comparison Approach in valuing the Subject Property. This method involves comparing the Subject Property with recently transacted properties of a similar nature or offers for sale of similar properties in the area. Adjustments are then made for differences in time, location, accessibility, tenure, and other factors in order to arrive at a common basis for comparison.

Recent transactions of industrial lands within the neighbourhood which are pertinent to substantiate a market value indication for the Subject Property are reviewed and these sales are shown below.

Detail	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
<b>Source</b>	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)
<b>Type</b>	Industrial Land	Industrial Land	Industrial Land
<b>Remarks</b>	The transacted price is based on potential for mixed use redevelopment basis ignoring the values attributed to the buildings erected on the sites.	The transacted price is based on potential for mixed use redevelopment basis ignoring the values attributed to the buildings erected on the sites. During our inspection, a high-rise development known as M Astra was under construction on the site.	Nil
<b>Address</b>	Lot 1 & 2, Jalan Usahawan 5, PKNS Setapak Industrial Area, Off Jalan Genting Kelang, 53300 Kuala Lumpur	Lot 27, Jalan Usahawan 5, Kawasan Perindustrian Ringan, Setapak, 53200 Kuala Lumpur	Lot 14393, Jalan 5/27H, Seksyen 1 Wangsa Maju, 53300 Kuala Lumpur

Detail	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
<b>Title Particulars</b>	HSM 1404 & 1405, PT Nos. 5690 & 5691, Mukim of Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	HSM 2144, PT No. 6332, Mukim of Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	PN 6222, Lot 14393, Mukim of Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
<b>Transaction Date</b>	April 26 <sup>th</sup> , 2021	May 4 <sup>th</sup> , 2021	September 21 <sup>st</sup> , 2022
<b>Vendor</b>	CFM Development Sdn Bhd	Teratai Constructors Sdn Bhd	Kiara Kayangan Sdn Bhd
<b>Purchaser</b>	Urban Reach Sdn Bhd	Nova Century Development Sdn Bhd	Orion Enrich Sdn Bhd
<b>Tenure</b>	Leasehold for 99 years. Term expiring on November 10 <sup>th</sup> , 2093. Leaving an unexpired term of approximately 72 years as the date of transaction.	Leasehold for 99 years. Term expiring on August 26 <sup>th</sup> , 2097. Leaving an unexpired term of approximately 76 years as at the date of transaction.	Leasehold for 99 years. Term expiring on October 5 <sup>th</sup> , 2064. Leaving an unexpired term of approximately 42 years as the date of transaction.
<b>Land Area</b>	30,019.00 sq.m (323,124.52 sq.ft or 7.42 acres)	20,232.81 sq.m (217,785.99 sq.ft or 5.00 acres)	3,034.97 sq.m (32,668.44 sq.ft or 0.75 acres)
<b>Type of Title (Individual / Strata)</b>	Individual	Individual	Individual
<b>Consideration</b>	RM 80,400,000.00	RM 89,000,000.00	RM 9,147,320.00
<b>Price Psf</b>	<b>RM 248.82 psf</b>	<b>RM 408.66 psf</b>	<b>RM 280.00 psf</b>
<b>Adjustments</b>	General adjustments are made for time and various factors inclusive of location, tenure, access, size, shape, corner lot, zoning, plot ratio and planning approval		
<b>Adjusted Price Psf</b>	<b>RM 281.47 psf</b>	<b>RM 371.47 psf</b>	<b>RM 371.45 psf</b>

The locations of the Subject Property and comparable properties are illustrated below:



It is noted that land price transactions are hovering between RM 248.82 psf and RM 408.66 psf. After making adjustments on the factors such as time, location, tenure, access, size, shape, corner lot, zoning, plot ratio and planning approval, we have noted that the adjusted price is between RM 281.47 psf to RM 371.47 psf.



Taking into consideration the differences of the Subject Property and the comparables, we have adopted Comparable 2 as the best comparable due to the following reasons: -

- Comparable 2 was transacted recently;
- Comparable 2 is zoned for commercial use; and
- Comparable 2 involved the least adjustments.

With Comparable 2 as the best comparable, we have adopted the rate of RM 371.50 psf [RM 57,159,218.84 (“initial value”)] as the value for the industrial land with the plot ratio of 1:6.00. Nonetheless, the necessary payments for the development associated with the zoning change and plot ratio increase had not been completely settled. Without fully settling the payments, the Subject Property is not expected to command the value of RM 57,159,218.84. Given that the payment is to fully settled 1.5 years later, which the zoning change and plot ratio increase will only then take effect on the Subject Property, we had thus discounted the initial value to present value at discount rate of 8% over a time period of 1.5 years in order to account for the effect of time value of money. Hence, in arriving the Market Value of the Subject Property, the remaining development charges (RM 8,804,250.00) are then deducted from the initial value and finally the net amount (RM 48,354,968.84) is then discounted back for 18 months (1.5 years) at the discount rate of 8% per annum to arrive at the Market Value of **RM 43,080,000.00** or about **RM 280.00 psf**.

#### ***INCOME APPROACH (BY WAY OF “RESIDUAL METHOD”)***

This method entails the determining of the total Gross Development Value (GDV) and deducting from this the costs of construction and site works, professional fees, interest on capital borrowed, contingencies and developer’s risk and profit. The residual is the value of the site and this is deferred for the period of development to arrive at the current market value of the site today.

We are valuing the Subject Property as a parcel of industrial land with development potential because it is currently held under an industrial title, but the Subject Property is more suitable for commercial development as evidenced by the surrounding commercial developments. While the Subject Property has been granted a conditional DO, it is important to note that this approval is contingent upon the fulfilment of several terms stated in the conditional DO and is not yet finalized. In addition, we have been made to understand by JKBD and URSB that the development contents as stated in the present conditional DO will not be pursued, and amendments to the current contents will be submitted in due course. In view of the above, we have not given significant weight on the present conditional DO in the present circumstances.

#### ***GROSS DEVELOPMENT VALUE (GDV)***

We have adopted the Comparison Approach for transacted prices of similar properties within the surrounding neighbourhood as a guide in deriving the proposed selling price. This method involves comparing the Subject Property with recently transacted properties of a similar nature or offers for sale of similar properties in the area. Adjustments are then made for differences in location, size, tenure and other factors in order to arrive at a common basis for comparison.

Recent comparable transactions of serviced apartments within the neighbourhood which are pertinent to substantiate a market value indication for the Subject Property are reviewed and these sales are shown overleaf:

**Serviced Apartment Units**

Detail	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Source	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)
Address	No. A-33-03, Sinaran Residensi, No. 2, Jalan 3/27A, 53300 Kuala Lumpur	No. A-03A-22, Ayuman Suites, Jalan Sentosa 2, Taman Bukit Lela, 53100 Kuala Lumpur	No. A-18-02, KL Traders Square Residences, 53000 Kuala Lumpur
Type	Serviced Apartment	Serviced Apartment	Serviced Apartment
Tenure	Leasehold	Grant in perpetuity	Grant in perpetuity
Transaction Date	November 21 <sup>st</sup> , 2022	November 25 <sup>th</sup> , 2022	February 10 <sup>th</sup> , 2023
Built-up Area	67.00 sq.m (721.18 sq.ft)	53.00 sq.m (570.49 sq.ft)	78.27 sq.m (842.49 sq.ft)
Consideration	RM 465,000.00	RM 355,000.00	RM 513,500.00
Price PSF	<b>RM 644.78 psf</b>	<b>RM 622.27 psf</b>	<b>RM 609.50 psf</b>
Adjustments	Adjustments have been made for time, location, accessibility, tenure, accessibility, size and number of units.		
Adjusted Price PSF	<b>RM 602.64 psf</b>	<b>RM 562.85 psf</b>	<b>RM 615.60 psf</b>

The locations of the Subject Property and comparable properties are depicted as below:



It is noted that transacted prices were hovering between RM 609.50 psf and RM 644.78 psf. After making adjustments on the factors such as time, location, accessibility, tenure, accessibility, size and number of units, we have noted that the adjusted price is between RM 562.85 psf to RM 615.60 psf.



Taking into consideration of the differences of the Subject Property and the comparables, we have adopted Comparable 1 as the best comparable due to the following characteristics: -

- Comparable 1 was transacted recently;
- Comparable 1 is leasehold in tenure; and
- Comparable 1 is located closest to the Subject Property.

With Comparable 1 as the best comparable, we have adopted the rate of RM 603.00 psf as the base value. We have then further adjusted for the difference in sizes of serviced apartments and deducted the Bumiputera discounts for the serviced apartments to arrive at a total net GDV of **RM 430,803,137.40**.

#### GROSS DEVELOPMENT COST (GDC)

The total estimated GDC for the whole project amounts to **RM 298,789,895.34** which is about **69.36%** of the total net GDV.

We have made reference to the JUBM And Arcadis Construction Handbook Malaysia 2022 and also engaged Basar & Harun Sdn, a registered Quantity Surveying Firm and obtained their opinion in our adoption of the GDC. The breakdown of the GDC is as below:

1. Preliminary Expenses	The total preliminary expenses are about <b>RM 14,637,499.17</b> which is analysed to <b>6.87%</b> of the total Construction Cost. This includes the land survey fees, authorities submission processing fees, mobilization and preliminary setting, premium payment for variation in category of land use and provisions to setup a sale gallery and show unit to facilitate the sale of the development.
2. External & Common Infrastructure Works	The total external & common infrastructure works is about <b>RM 6,733,400.00</b> which is analysed to <b>3.16%</b> of the total Construction Cost. This includes the site clearing & earthwork, Common Infrastructure Works (R&D, Water & Sewer, Street Light), TNB Sub-station, provisions for landscaping and provision for guardhouse and entrance statement. The breakdown of the costs is listed below: <ol style="list-style-type: none"> <li>Site clearing and earthwork adopted at <b>RM 280,000.00/acre</b> based on the opinion of construction cost by Basar &amp; Harun Sdn.</li> <li>The costs of the common infrastructure work which includes the incoming water mains, sewerage/water reticulation and drainage works, telephone infrastructure and street lightings adopted at a total of <b>RM 750,000.00/acre</b> based on the opinion of construction cost by Basar &amp; Harun at <b>RM 643,000.00/acre to 857,000.00/acre</b>.</li> <li>The cost to build a TNB Sub-Station is <b>RM 140,000.00 – RM 160,000.00 per unit</b> as per the opinion of construction cost by Basar &amp; Harun Sdn.</li> <li>Provision for landscaping is at <b>RM 750,000.00/acre</b> which is in tandem with opinion of construction cost by Basar &amp; Harun Sdn.</li> <li>A provision of <b>RM 300,000.00</b> for guardhouse and entrance statement is provided for in our computation.</li> </ol>
3. Construction Cost Building Cost (Inclusive of Piling & M&E) Main Building Works	The total construction cost is about <b>RM 213,115,778.00</b> which is analysed to <b>49.47%</b> of the total GDV. This includes the construction costings for the serviced apartments, car park, piling works and provisions for the facilities area. The breakdown of the costs is listed overleaf.





3. Construction Cost Building Cost (Inclusive of Piling & M&E) Main Building Works (Cont'd)	<p>a. For the serviced apartment, we have adopted a construction cost rate of RM 170.00 psf including of the M&amp;E Services based on the opinion of construction cost by Basar &amp; Harun Sdn. In addition, a cross check with JUBM And Arcadis Construction Cost Handbook 2022 and the construction costing opinion revealed that the average construction cost for an average high-rise apartment including M&amp;E services ranges from RM 124.02 psf to RM 248.05 psf respectively.</p> <p>b. We have adopted the cost for the facilities floor at RM 240.00 psf, based on the opinion of construction cost by Basar &amp; Harun Sdn.</p> <p>c. For the car park, we have adopted a cost of RM 90.00 psf, based on the opinion of construction cost by Basar &amp; Harun Sdn of RM 84.00 - 102.00 psf. In addition, a cross reference with the Arcadis Construction Cost Handbook 2022 revealed that the average construction cost for car park ranges from RM 86.40 psf to RM 144.93 psf.</p> <p>d. The piling works is cost at RM 6.00 psf based on the opinion of construction cost by Basar &amp; Harun Sdn of RM 5.00 - 7.00 psf.</p>
4. Professional Fees & Insurance	The professional fees & insurance is about <b>RM 13,365,240.56</b> which is analysed to <b>6.27%</b> of the total Construction Cost.
5. Sales Marketing & Administration	The sales marketing and administration is about <b>RM 18,138,207.86</b> which is analysed to <b>4.21%</b> of the total GDV. This includes the sales & administration expenses, agency fees, legal fees and site management.
6. Authorities Contributions	The authorities' contributions is about <b>RM 7,431,901.37</b> which is analysed to <b>3.49%</b> of the total Construction Cost. This includes the Improve Service Fund (ISF) for road and drainage, Indah Water Konsortium (IWK) contribution, TNB (3 Phase) contribution and water contribution.
7. Land Expenses	The land expenses are about <b>RM 2,116,800.00</b> which is analysed to <b>0.99%</b> of the total Construction Cost. This includes the sub-division survey, plan fees and quit rent and assessment for the entire development period.
8. Interest – Bridging loan interest	<p>The bridging loan interest is about <b>RM 14,548,450.06</b> which is analysed to <b>6.83%</b> of the total Construction Cost. We have adopted an interest cost of:-</p> <p>a. 33.00% loan margin (Bridging Loan Financing)</p> <p>b. At an interest rate of 8.00% per annum</p> <p>c. At half of the development period of 4.00 years.</p>
9. Contingencies	The contingencies are about <b>RM 8,702,618.31</b> which is analysed to <b>4.08%</b> of the total Construction Cost. We have factored in a cost for contingencies of <b>3.00%</b> of Preliminary Expenses, External & Common Infrastructure Works, Construction Cost, Professional Fees, Sales, Marketing & Administration Fees, Authorities Contribution, Land Expenses and Interest. The contingencies cost is to cater for unforeseen costs which might occur during development such as increase in construction cost, wrong budget forecast and etc.
10. Developer's Profit	<p>16.00% of GDV</p> <p>An article appeared in "The Star" by Eugene Mahalingam dated January 18th, 2020 entitled "Developer Mixing It Up" revealed that the average developer's net profit margin for listed property developers in the KL Property Index peaked at 20.40% in 2015 and has fallen to 12.70% in 2018.</p>



10. Developer's Profit (Cont'd)	<p>In another article published in "Star Property" by Foo Chee Hung entitled "Types of Property Developers and Their Functions in Development", dated March 31st, 2020, the developer revealed that in terms of profitability, most of the companies have experienced a converging net profit margin. This is due to the reduction in revenue as well as the increase in the cost of doing business. In general, the net profit margin for developers has been declining towards an industry average of 14.00% in 2018/2019, as compared to its peak at 21.00% in 2015.</p> <p>Although developer's profit had dwindled since its peak of 21.00% in 2015, we have adopted a developer's profit at 16.00% of the GDV in our computation. We are of the opinion that the rate is fair after taking into consideration the risk involved in developing a high-density commercial development in this economic climate, as well as the complexity in developing a high-rise development within a high traffic and confined neighbourhood.</p>
11. Present Value	<p>10.00% per annum for 4.00 years</p> <p>We have adopted a development period of 4.00 years (48 months) for the entire development to complete and fully sold out. In essence under Schedule H under the Housing Developer (Control And Licensing) Act, the minimum development period is 24 month (landed properties) and 36 months (strata properties) from the signing of the Sale &amp; Purchase Agreement. We have adopted a period of 3.00 years (36 months) for the construction to complete and an additional 1.00 years (12 months) for the project to be fully sold out.</p> <p>Taking into consideration that bridging loan finance cost is presently in between the range of 8.00% to 9.00%, we have adopted a present value rate of 10.00% as a reflection of commercial risk in the property development business as a whole.</p>

The Subject Property has received a conditional approval for the change of zoning from industrial to commercial with an increase of plot ratio from 1 : 4.00 to 1:6.00, it is important to note that this approval is contingent upon the fulfilment of several terms stated in the conditional DO and is not yet finalized. Nevertheless, we have factored in the development charges outlined in the conditional DO because the cost is mandatory for the complete transition of the Subject Property into commercial zoning and the plot ratio of 1:6.00.

Apart from that, we also factored in the development-related expenses of RM 4,863,323.32 (as at the material date of valuation of 3 September 2023) as provided by JKBD in the computation, given that any developer intending to embark on a development project on the Subject Property will inevitably incur these costs, regardless of the current conditional DO in place.

The list of costs that was considered in the Income Approach by way of Residual Method is as below:

No.	Breakdown of development cost on Lot 30487	Full Amount	*Amount Paid	Outstanding Balance as at 3 <sup>rd</sup> September, 2023
1	Notice inviting views from residents in nearby areas for development proposals on the Subject Property	RM 22,670.80	RM 22,670.80	-
2	Total instalment of development charges paid to DBKL	RM 11,062,000.00	RM 2,257,750.00 (Principal) & RM 921,328.22 (Late payment interest)	RM 8,804,250.00 (Principal)



No.	Breakdown of development cost on Lot 30487	Full Amount	*Amount Paid	Balance
3	Topographical & detail survey, soil investigation, underground utility detection & mapping and planner & consultants fee on change of land status to mix commercial land	RM 45,559.30	RM 45,559.30	-
4	Improve Service Fund (ISF) for road and drainage	RM 717,185.00	RM 717,185.00	-
5	Total instalment of IWSS cost sharing	RM 998,700.00	RM 898,830.00	RM 99,870
	<b>Total</b>	<b>RM 12,846,115.10</b>	<b>RM 4,863,323.32</b>	<b>RM 8,904,120.00</b>

\* Note: All the amount paid were deducted from Preliminary Expenses, Land Survey Fees & Soil Investigation, Professional Fees and Authorities Contribution in Residual Method.

The development costs considered were extracted from the 'Breakdown of Development Cost on Lot 30487 as at 3rd October 2023', provided by JKBD. As of 3<sup>rd</sup> October 2023, JKBD has paid a total development cost of RM 6,489,386.73. However, for our valuation, we have only considered costs paid up to the valuation date, which was 3<sup>rd</sup> September 2023, totalling RM 4,863,323.32 in the residual method.

#### Summary of Residual Method

	Description	Units	Price Psf	Total Value	Less : Bumi-Discount	Grand Total
i)	<b>Service Apartments</b>					
a	Type A	324	RM 615.06 psf	RM 140,292,725.76	RM 3,928,196.32	RM 136,364,529.44
b	Type B	324	RM 603.00 psf	RM 173,881,080.00	RM 4,868,670.24	RM 169,012,409.76
c	Type B-1	108	RM 603.00 psf	RM 60,239,700.00	RM 1,686,711.60	RM 58,552,988.40
d	Type C	108	RM 590.94 psf	RM 68,799,598.56	RM 1,926,388.76	RM 66,873,209.80
	<b>GROSS DEVELOPMENT VALUE (GDV)</b>	<b>864</b>		<b>RM 443,213,104.32</b>	<b>RM 12,409,966.92</b>	<b>RM 430,803,137.40</b>

<b>Summary</b>	
Net Gross Development Value	: RM 430,803,137.40
Less : Gross Development Cost	: RM 298,789,895.34
<b>Net Profit Before Land Cost</b>	<b>: RM 132,013,242.06</b>
Less : Developer's Profit (16% of GDV)	: <b>RM 68,928,501.98</b>
<b>Land Value In 4.00 Years Time</b>	<b>: RM 63,084,740.08</b>
PV for 4.00 years @ 10% p.a	0.683013455
<b>Market Value Under Residual Method</b>	<b>: RM 43,087,726.30</b>
<b>Say</b>	<b>RM 43,100,000.00</b>



<b>RECONCILIATION OF VALUE</b>	
<b>Method Of Valuation</b>	<b>Derivation Of Values</b>
Comparison Approach	RM 43,080,000.00
Income Approach By Way of "Residual Method"	RM 43,100,000.00

From the above approaches, we have concluded that the best approach in arriving at the Market Value of the Subject Property is the Comparison Approach. This approach is the most suitable in this instance due to the abundant comparable sales available which helps us to form a pattern of values, and directly enable us to widen the accuracy in establishing the Market Value of the Subject Property. On hindsight, the Income Approach by way of Residual Method is only suitable to serve as a secondary approach (cross check), due to the following:-

- i. The development contents as stated in the present DO will not be pursued and any potential revisions to the current DO that URSB may wish to do after the acquisition of the Subject Property have not been finalized at this juncture. The amendments to the current contents will also affect the accuracy of the Market Value via the Residual Method. It is worth noting that approximately 87.5% of the units available are below 1,000 sq. ft. The COVID-19 pandemic has led to a shift in purchaser preferences towards larger living spaces. Consequently, the current layout is not aligned with the current market demand; and
- ii. The construction and material costs have been volatile over the past couple of years mainly contributed by the prolonged Russian-Ukraine conflict. As a result, the costs derived based on market estimates may not be sustainable over a long period of time and thus skew the outcome of the residual value.

Having taken into consideration all the relevant and pertinent factors, we are of the considered opinion that the **Market Value** of the leasehold interest with an unexpired term of approximately 70 years in a parcel of industrial land on an "as is where is" basis with the conditional approval for:

- i) the change of zoning from industrial to commercial;
- ii) increase of plot ratio from 1 : 4.00 to 1 : 6.00; and
- iii) the development charges partially paid

held under Title No. Pajakan Mukim 1029, Lot No. 30487, Locality of Jalan Genting Kelang, Mukim of Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, in its existing physical condition and subject to its title being free from encumbrances, good, marketable and registrable as of **September 3<sup>rd</sup>, 2023** based on the **TERMS OF REFERENCE** as stated herein are as below:-

**Market Value : RM 43,080,000.00**

**(Ringgit Malaysia : Forty Three Million Eighty Thousand Only)**





The above Report and Valuation has been carried out by Sr Stanley Toh Kim Seng,  
**For and on behalf of Laurelcap Sdn Bhd.**



**Sr STANLEY TOH KIM SENG**  
BSc (Hons) Estate Management,  
MRISM, MRICS, MPEPS, MMIPFM, ICVS, MBVAM  
Registered Valuer (V-927)

*Note : This Report was peer reviewed by Mr Tan San Yew (Peer Reviewer)(V-607) from Laurelcap (HQ) Sdn Bhd*

**FURTHER INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by our Board and they, collectively and individually, accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein misleading.

All information relating to JKB Development, Jasa Kita and the Land have been obtained from JKB Development and Jasa Kita respectively. The responsibility of our Board is solely limited to ensuring that such information has been accurately reproduced in this Circular and our Board accepts no further or other responsibility in respect of such information.

**2. CONSENT AND CONFLICT OF INTEREST****(i) Principal Adviser**

Mercury Securities, being the Principal Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Mercury Securities is also not aware of any conflict of interests which exists or is likely to exist in its capacity as the Principal Adviser to our Company for the Proposed Acquisition.

**(ii) Independent Adviser**

Malacca Securities, being the Independent Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name, its IAL in respect of the Proposed Acquisition and all references thereto in the form and context in which they appear in this Circular.

Malacca Securities is also not aware of any conflict of interests which exists or is likely to exist in its capacity as the Independent Adviser to our Company for the Proposed Acquisition.

**(iii) Valuer**

Laurelcap, being the independent registered property valuer for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the Valuation Certificate and all references thereto in the form and context in which they appear in this Circular.

Laurelcap is also not aware of any conflict of interests which exists or is likely to exist in its capacity as the independent registered property valuer to our Company for the Proposed Acquisition.

**3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the LPD, our Group is not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant which may have a material effect on the financial position or business of our Group, and our Board is not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.

As at the LPD, there is no material litigation, claims and/or arbitrations involving the Land including those pending or threatened.

FURTHER INFORMATION (cont'd)

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**4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****(i) Material Commitments**

Save for the Proposed Acquisition, as at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of our Group.

**(ii) Contingent Liabilities**

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have material impact on the financial position or business of our Group.

**5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at 29<sup>th</sup> Floor, Menara JKG, No. 282, Jalan Raja Laut, 50350 Wilayah Persekutuan Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to the date of our Company's forthcoming EGM:

- (i) our Company's Constitution;
- (ii) our Company's audited consolidated financial statements for the financial year ended 30 June 2022 and financial period ended 31 March 2023 as well as our Company's unaudited consolidated interim financial report for the 6-month financial period ended 30 September 2023;
- (iii) the SPA and Cost Sharing Agreement as referred to in **Appendix I** and **Appendix III** of this Circular respectively;
- (iv) the Valuation Certificate and Valuation Report; and
- (v) letters of consent and conflict of interest as referred to in **Section 2 of this Appendix V**.



**FCW HOLDINGS BERHAD**  
(Registration No. 195701000211 (3116-K))  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Extraordinary General Meeting (“**EGM**”) of FCW Holdings Berhad (“**FCW**” or “**Company**”) will be conducted in a fully virtual manner *via* Remote Participation and Voting Facilities (“**RPV**”) through live streaming from the Broadcast Venue at 29<sup>th</sup> Floor, Menara JKG, No. 282 Jalan Raja Laut, 50350 Kuala Lumpur on Wednesday, 24 January 2024 at 11.00 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing the following resolution, with or without any modifications:

### **ORDINARY RESOLUTION**

**PROPOSED ACQUISITION BY URBAN REACH SDN BHD (“URBAN REACH”), A 55%-OWNED SUBSIDIARY OF FCW, FROM JKB DEVELOPMENT SDN BHD (“JKB DEVELOPMENT”) OF A PARCEL OF LEASEHOLD INDUSTRIAL LAND HELD UNDER PAJAKAN MUKIM 1029, LOT 30487, JALAN GENTING KELANG, MUKIM OF SETAPAK, DISTRICT OF KUALA LUMPUR, WILAYAH PERSEKUTUAN KUALA LUMPUR (“LAND”) FOR A TOTAL CASH CONSIDERATION OF RM43.08 MILLION (“PROPOSED ACQUISITION”)**

“**THAT** subject to the approvals and consents of all relevant authorities and/or parties being obtained, approval be and is hereby given to Urban Reach, a 55%-owned subsidiary of the Company, to acquire the Land for a total cash consideration of RM43,080,000 upon the terms and conditions as set out in the conditional sale and purchase agreement dated 5 October 2023 entered into between Urban Reach and JKB Development (“**SPA**”).

**AND THAT** the Board of Directors of the Company (“**Board**”) be and is hereby authorised and empowered to do or procure to be done all such acts, deeds and things and to execute, sign and deliver, on behalf of the Company, all such documents to give effect to and complete the Proposed Acquisition with full power to assent to any conditions, variations, modifications and/or amendments as may be required or imposed by the relevant authorities and/or parties and as the Board may deem necessary and expedient to finalise, implement and give full effect to the Proposed Acquisition.”

### **BY ORDER OF THE BOARD**

**LOH POH WAH**  
MAICSA No. 7047338  
SSM PC No. 202008002733  
Company Secretary

Kuala Lumpur  
Date: 28 December 2023



Notes:

- (1) A member entitled to participate and vote at the EGM via RPV is entitled to appoint 1 or more proxies (but not more than 2) to participate and vote instead of him. A proxy may but need not be a member of the Company. Where a member appoints more than 1 proxy to participate in the same meeting, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- (2) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it shall be entitled to appoint not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

Where an authorised nominee or an exempt authorised nominee appoints more than 1 proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

- (3) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (4) Depositors whose names appear in the Record of Depositors on a date not less than 3 market days before the EGM shall be entitled to participate and vote at the EGM or appoint a proxy to participate, speak and vote on his behalf via RPV.
- (5) The appointment of proxy may be made either in hard copy or by electronic means and shall be deposited with the Company's appointed service agent in the manner stated below not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof:

<b>Mode of submission</b>	<b>Designated Address</b>
---------------------------	---------------------------

Hard copy

**Tricor Investor & Issuing House Services Sdn Bhd**  
Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3  
Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

or

**Tricor Customer Service Centre**  
Unit G-3, Ground Floor, Vertical Podium, Avenue 3  
Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

Electronic

**TIIH Online**

Weblink: <https://tiih.online>

(Only applicable to individual shareholder. Please refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online)

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I/We ..... NRIC No./Company No. ....  
(Full Name in Block Letters)

of .....  
(Full Address)

being a member/members of **FCW HOLDINGS BERHAD** hereby appoint .....

..... NRIC No./Passport No. ....  
(Full Name in Block Letters)

of .....  
(Full Address)

representing ..... percentage (%) of my/our shareholdings in the Company and/or failing

him/her ..... NRIC No./Passport No. ....  
(Full Name in Block Letters)

of .....  
(Full Address)

representing ..... percentage (%) of my/our shareholdings in the Company and/or failing him/her/them, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company (“EGM”) to be conducted in a fully virtual manner via Remote Participation and Voting Facilities (“RPV”), which will be live streamed from the Broadcast Venue at 29<sup>th</sup> Floor, Menara JKG, No. 282 Jalan Raja Laut, 50350 Kuala Lumpur on Wednesday, 24 January 2024 at 11.00 a.m., or at any adjournment thereof.

The proxy is to vote on the Resolution as set out in the notice of Extraordinary General Meeting. Please indicate with “X” where appropriate against the resolution how you wish to cast your vote. In the absence of specific directions, the proxy may vote or abstain from voting in the resolution as he/she may think fit.

RESOLUTION	FOR	AGAINST
Ordinary Resolution – Proposed Acquisition		

NUMBER OF SHARES HELD	CDS ACCOUNT NO.

Signature(s)/Seal

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**Notes:**

- A member entitled to participate and vote at the EGM via RPV is entitled to appoint 1 or more proxies (but not more than 2) to participate and vote instead of him. A proxy may but need not be a member of the Company. Where a member appoints more than 1 proxy to participate in the same meeting, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment shall be invalid.
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Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.  
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- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation’s common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- Depositors whose names appear in the Record of Depositors on a date not less than 3 market days before the EGM shall be entitled to participate and vote at the EGM or appoint a proxy to participate, speak and vote on his behalf via RPV.
- The appointment of proxy may be made either in hard copy or by electronic means and shall be deposited with the Company’s appointed service agent in the manner stated below not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof:

Mode of Submission	Designated Address
Hard Copy	<b>Tricor Investor &amp; Issuing House Services Sdn Bhd</b> Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3 Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or <b>Tricor Customer Service Centre</b> Unit G-3, Ground Floor, Vertical Podium, Avenue 3 Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
Electronic Means	<b>TIH Online</b> Weblink : <a href="https://tih.online">https://tih.online</a> (Only applicable to individual shareholder. Please refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIH Online)

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AFFIX  
STAMP

**FCW HOLDINGS BERHAD**  
(Registration No. 195701000211 (3116-K))

**c/o Tricor Investor & Issuing House Services Sdn Bhd**  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia

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